

2006



Interim report
1 January–31 March

RAUTE CORPORATION'S INTERIM REPORT 1 JANUARY - 31 MARCH 2006

- Net sales, €26.5 m (€18.5 m), grew by 43% over the comparison period. Operating profit, €1.1 m (€0.4 m), and profit before tax, €1.4 m (€0.7 m), improved.
- The shift in the focus of demand affected the order intake, which amounted to €4 m (€38 m). The order book at the end of the report period remained at a good level, totaling €39 m (€56 m).
- Profit per share was €0.24 (€0.10).
- Net sales for 2006 are expected to remain at the previous year's level, while operating profit is expected to improve.
- The interim report has been prepared according to international recognition and measurement principles.

KEY FIGURES	Q1/2006	Q1/2005	2005
Net sales, €m	26.5	18.5	108.6
Change,%	43 %	10 %	49 %
Operating profit, €m	1.1	0.4	4.4
Profit before tax, €m	1.3	0.7	5.5
Equity ratio, %	53 %	56 %	56 %
Assets total, €m	54.4	53.7	55.4
Earnings per share (EPS), €	0.24	0.10	1.09
Order intake (Projects), €m	4	38	109
Order book, €m	39	56	55
Capital expenditure, €m	0.4	0.5	3.8
R&D expenses, % of net sales	3,7 %	3.5%	3.3 %

MR. TAPANI KIISKI, PRESIDENT AND CEO: GROWTH CONTINUED AND THE SHIFT IN THE FOCUS OF DEMAND AFFECTED THE ORDER INTAKE

"While demand for wood products technology has remained at previous levels, the market situation has changed considerably, as has been seen in the past six months.

In the first half of 2005 nearly all demand focused on smaller investments. The goal of customer investments was to improve competitiveness developing their existing production capacity, in other words, to enhance the use of raw materials and workforce, as well as to improve the quality of products made of the raw material in question. Decisions on small investments like these were made quickly, and we enjoyed a steady flow of orders. The market situation of our customer industries has been good for quite some time, and there is a need to build entirely new capacity.

Much of the demand currently targets large, often mill-scale, projects that create new capacity. In terms of investments, such projects mean big decisions to our customers. The decision-making process is more complex and lasts longer. No contracts for this type of projects were made in the first quarter of 2006. An example of the long time span needed in the decision-making and preparation process in such large ventures is a project to Russia. We reported the signing of a letter of intent for the project in the end of February. At that time we estimated the contract to take effect already during March. However, the finishing of such a substantial agreement and the ensuring of various permits have taken longer than estimated, and therefore the

contract hasn't taken effect yet. I estimate it will take effect during the summer.

Modernization accounted for a considerable part of the order intake for technology services last year. In addition to changes in the overall market situation, internal reorganizations carried out by some of our customers have postponed modernization projects scheduled for this year. As a result, changes in the structure of demand also slow down growth in our technology services.

We are currently conducting negotiations on several large projects, and demand for smaller investments has picked up again in a few important market areas after a slow period at the end of 2005 and beginning of 2006. In technology services, demand for maintenance and spare parts is at a good level. Outsourcing in maintenance is progressing slowly but surely, and Raute is actively involved in that process.

Our net sales increased clearly compared to early 2005, and the order book remained at a healthy level. Ongoing development measures aiming to improve production capability and profitability have already had a positive impact. We will continue our efforts to improve profitability.

The demand for our technology and services, our order book and ongoing development projects provide a good opportunity to make this a good year for Raute. All of our employees and partners are working towards this end."

MARKET SITUATION

Market situation in customer industries

Overall, the market situation for Raute's customer industries continued to be good in early 2006. The demand for plywood, as well as its production and prices, were at a good level worldwide. The market situation for plywood saw positive development in Asia and Russia. Increased uncertainty about development in the North American construction industry had a general impact on the demand for and prices of construction material in the region.

The market for LVL (Laminated Veneer Lumber) has shown positive development. Recently introduced new production capacity has found room in the markets, and other projects aiming to increase capacity are now being planned.

The demand for overlaid particle board and MDF (Medium Density Fiber) has remained at a good level. The furniture industry, which is seeing strong development particularly in Russia and Eastern Europe, has contributed to high production levels. Demand for multi-layer parquet and decorative veneer has remained good thanks to continued residential construction and home improvements.

Demand for wood products technology

The demand for investments in the plywood and veneer industry remains active. As expected, the focus has shifted to larger projects that create new or replace old production capacity. Several mill-scale projects have reached the negotiation phase in different market areas. Demand for plywood technology has been particularly active in Russia.

The LVL industry is seeing active demand for investments. Opportunities for the construction of new capacity are also being investigated in new geographical regions.

The demand for particle board and MDF overlaying technology is brisk. Several projects are now entering the decision-making phase in Europe and Russia. To answer the good demand seen in the parquet industry, the utilization of previously underutilized capacity has been increased. Only small new investments have been made. Raute's new decorative veneer technology is arousing increasing interest.

Demand for smaller investments and maintenance services is picking up in North America after an extremely slow period from November to February.

Order intake and order book

As the demand is heavily focused on large projects, Raute's order intake may fluctuate significantly.

In the report period, Raute signed a letter of intent for a significant delivery including plywood technology to Russia, but the contract did not take effect as expected in March. Since none of the other large projects under negotiation proceeded to the decision-making phase in the report period, the amount of Raute's new project orders remained low, at EUR 4 million (€38 m). The most significant order in the report period was for two decorative veneer dryers to Finland.

In technology services, new orders amounted to EUR 5.4 million (€7.1 m), falling short of the comparison period. The drop in new orders resulted from postponed modernizations in Europe and the slow demand in North America. The order intake for maintenance and spare parts services continued to develop positively.

The order book decreased to EUR 39 million (€56 m) at the end of the report period.

Competitive position

The comprehensive offering of technology and services, leading technology, and successful deliveries maintain Raute's strong competitive position. Several reference deliveries to new customers and market areas in Asia and South America will enter production in the following six months. The deliveries will bring new, modern technology to these market areas and, the reference value will strengthen Raute's competitive position.

EVENTS IN THE REPORT PERIOD

On 22 March 2006 Raute Corporation's Board of Directors decided on a new share-based incentive scheme for the Corporation's key employees. Rewards will be paid in 2009 partly in the company's series A shares and partly in cash. The portion paid in cash will cover the taxes and tax-related payments arising from the rewards. The shares must be held for a period of two years after the payment of rewards; share transfer is prohibited during this time. Any profit from the scheme is based on the company's operating profit and the Board's assessment of the realization of the group's strategy. The scheme will cover a maximum of 21 key employees.

NET SALES AND RESULT

Net sales in the report period totaled EUR 26.5 million (€18.5 m), showing a growth of 43% over the comparison period.

Europe's share of net sales in the report period dropped to 15 per cent (35%), North America's to 17 per cent (29%) and Russia's to 9 per cent (12%). Asia accounted for 11 per cent (11%) of net sales. The share of other market areas rose to 48 per cent (13%), driven by the income recognition of a mill-scale project delivery to Chile. Business consists of project deliveries and technology services related to wood products technology.

The Group's operating profit amounted to EUR 1.1 million (€0.4 m) and profit before tax to EUR 1.4 million (€0.7 m), both up on the previous year. Profit for the report period was EUR 0.9 million (€0.4 m).

Profit for the report period benefited from a EUR 0.2 million (-€0.4 m) IFRS-compliant recognition of currency hedges. Profit for the previous year was improved by the release of excess cover totaling EUR 0.4 million in conjunction with the dissolution of the pension fund.

FINANCING

The Group's financial position remained strong. Gearing was -26.2 per cent (-63.2%) and the equity ratio 52.9 per cent (56.3%). The balance sheet totaled EUR 54.4 million (€53.7 m).

Liquid assets dropped by EUR 4.0 million to EUR 7.3 million (€15.6 m) in the report period. Operating cash flow amounted to -EUR 2.0 million (€8.0 m). Investment cash flow amounted to -EUR 0.4 million (-€0.4 m). The financing cash flow -EUR 1.7 million (-€1.4 m) resulted mainly from the dividend payment.

At the end of the report period interest-bearing liabilities totaled EUR 0.8 million (€0.4 m). Unused credit limits amounted to EUR 15 million at the end of the report period. The company also has a EUR 15 million commercial paper program.

RESEARCH AND DEVELOPMENT COSTS AND CAPITAL EXPENDITURE

Research and development costs remained high at EUR 1.0 million (€0.6 m), representing 3.7 per cent (3.5%) of net sales. Capital expenditure totaled EUR 0.4 million (€0.5 m).

PERSONNEL AND ORGANIZATION

At the end of the report period the Group had a total of 531 (521) employees. Converted to full-time employees, the average number was 530 (523).

Pasi Kenola was appointed President of Mecano Group Oy, a subsidiary of Raute Corporation, as of 1 March 2006. The company's founder and previous President, Markku Korhonen, will continue on Mecano's Board of Directors.

Timo Kangas, Vice President, Technology Services, and member of the Group's Executive Board, has acted as President of RWS-Engineering Oy, a subsidiary of Raute Corporation, as of 10 March 2006. The previous President, Vesa Hillu, continues as responsible for the consulting business.

ANNUAL GENERAL MEETING

Raute Corporation's Annual General Meeting held on 22 March 2006 adopted the financial statements for 2005 and decided to pay a dividend of EUR 0.60 per share on 3 April 2006.

Jarmo Rytilahti was elected as Chairman of Raute Corporation's Board of Directors, Sinikka Mustakallio as Vice Chairman, and Mika Mustakallio, Panu Mustakallio, Pekka Paasikivi, and Jorma Wiitakorpi as Board members.

Kari Miettinen and Sari Airola, both authorized public accountants, were elected as the company's auditors and PricewaterhouseCoopers Oy, authorized public accounting company, as deputy auditor.

The Annual General Meeting authorized the Board of Directors to decide on the buy-back of the company's series A shares using funds available for profit distribution, as well as on the disposal of treasury shares.

CORPORATE GOVERNANCE

Independence of Board members

All of the Board members are independent of the company. Chairman Jarmo Rytilahti and two of the members (Pekka Paasikivi and Jorma Wiitakorpi) are independent of the company's major shareholders.

Board Committees

The Board of Directors appointed members to the Working Committee and Appointments Committee

for the new term. Jarmo Rytilahti will continue to chair the Appointments Committee. Its members are Sinikka Mustakallio and Ville Korhonen, a representative of the major shareholders. The Working Committee will be chaired by Jarmo Rytilahti, with Sinikka Mustakallio and Jorma Wiitakorpi, members of the Board of Directors, as committee members.

SHARES

Raute Corporation's series A shares are listed on the main list of the Helsinki Stock Exchange. The trading code is RUTAV. The shares have a nominal value of two euro. The number of shares at the end of the report period totaled 3,816,258, of which 991,161 were series K shares and 2,825,097 series A shares. Raute Corporation has signed a market making agreement with Nordea Bank Finland Plc in compliance with the Liquidity Providing (LP) requirements issued by the Helsinki Stock Exchange.

The 1,650 series A shares subscribed for in 2005 through the exercise of B warrants pertaining to the 1998 bond issue were entered in the Trade Register on 25 February 2006.

A total of 311,104 (492,186) series A shares worth EUR 4.9 million (€4.2 m) were traded in the report period. The share price at the end of the report period was EUR 16.31 (€8.50). The highest quotation was EUR 17.60 and the lowest EUR 14.25, while the average quotation was EUR 15.62.

The company's market capitalization at the end of the report period was EUR 62.2 million (€32.4 m), with series K shares valued at the closing price on 31 March 2006 of series A shares, that is, EUR 16.31.

The number of shareholders at the beginning of the year was 974, and 1,014 at the end of the report period. No flagging notifications were given to the company in the report period.

The company's Board of Directors is authorized to buy back and dispose of a maximum of 381,625 of the company's series A shares. The Board of Directors has as yet not exercised this authorization.

ACCOUNTING PRINCIPLES

The interim report has been prepared according to international recognition and measurement principles. The figures in the interim report are unaudited. The Group has adopted the amendments to IAS 39

issued by IASB in 2004 and 2005. The adoption of the amended standard has not had any material impact on the interim figures. In other respects, the Group has followed the accounting principles adopted in the financial statements for 2005.

In the future, the Group may apply hedge accounting on a case-by-case basis to new currency derivative contracts that effectively hedge significant foreign currency project payments related to long-term project deliveries.

BUSINESS RISKS

Hedging of foreign currency receivables

Forward contracts in Canadian and US dollars related to payments from sales totaled EUR 1.6 million (€11.0 m) at the end of the report period. The measurement of forward contracts in compliance with IFRS improved the company's net sales and operating profit by EUR 0.2 million (-€0.4 m).

EVENTS AFTER THE REPORT PERIOD

A total of 20,000 series A shares were subscribed for in April through the exercise of B warrants pertaining to Raute Corporation's 1998 bond issue. The share capital increase corresponding to share subscriptions totaled EUR 40,000. The Board of Directors approved the share subscriptions on 26 April 2006. The subscriptions are expected to be registered on 10 May 2006.

OUTLOOK FOR 2006

Demand for investments in the plywood and LVL industries will continue to focus on large projects that create new and replace old production capacity. The implementation and timing of large investment projects involve greater uncertainty than smaller investments and modernization projects aiming to improve existing capacity. This will affect Raute's order intake in the form of particularly strong fluctuation in 2006.

Thanks to the growth in the first quarter net sales, a good order book and strong demand for technology and services, Raute has a positive outlook in 2006.

Net sales for 2006 are expected to remain at the previous year's level, while operating profit is expected to improve.

CONSOLIDATED INCOME STATEMENT	1.1.-31.3. 2006		1.1.-31.3. 2005		1.1.-31.12. 2005	
NET SALES	26 503	100 %	18 492	100 %	108 627	100 %
Other operating income	25		453		708	
Operating expenses	-24 803		-17 742		-102 054	
Depreciation, amortisation and impairment charges	-595		-784		-2 877	
OPERATING PROFIT	1 130	4 %	419	2 %	4 403	4 %
Financial income	409		286		1 131	
Financial expenses	-189		-18		-73	
Share of results in associated companies	0		0		0	
PROFIT BEFORE TAXES	1 350	5 %	687	4 %	5 461	5 %
Income taxes *)	-423		-264		-1 423	
PROFIT FOR THE PERIOD	927	3 %	423	2 %	4 038	4 %
BREAKDOWN OF PROFITS						
Minority interest	0		-26		-114	
Owners of the parent company	927		397		4 152	
EARNINGS PER SHARE, EUR						
Basic	0,24		0,10		1,09	
Diluted	0,24		0,10		1,07	
NUMBER OF SHARES						
Weighted average, 1 000 pcs	3 816		3 815		3 815	
Diluted, 1 000 pcs	3 925		3 861		3 872	

*) Income taxes include the tax liability estimated for the report period.

BALANCE SHEET	31.3. 2006		31.3. 2005		31.12. 2005	
ASSETS						
FIXED ASSETS AND OTHER NON-CURRENT ASSETS						
- intangible assets	2 662		2 933		2 757	
- property, plant and equipment	13 808		12 989		13 939	
- available-for-sale investments	386		414		395	
- receivables	48		48		48	
- deferred tax assets	113		215		210	
Fixed and other non-current assets total	17 018		16 599		17 349	
CURRENT ASSETS						
- inventories	5 370		5 000		5 026	
- trade and other receivables	24 681		15 661		21 666	
- financial assets at fair value through profit or loss	6 311		9 454		8 975	
- cash and cash equivalents	1 033		6 148		2 419	
Current assets total	37 395		36 264		38 086	
NON-CURRENT ASSETS HELD FOR SALE	0		837		0	
TOTAL ASSETS	54 413		53 700		55 435	
SHAREHOLDERS' EQUITY AND LIABILITIES						
SHAREHOLDERS' EQUITY						
- share capital	7 633		7 629		7 629	
- other shareholders' equity	17 192		15 714		18 294	
Owners of the parent company	24 824		23 343		25 923	
Minority interest	224		668		224	
Total shareholders' equity	25 048		24 011		26 147	
LIABILITIES						
Non-current liabilities						
- provisions	333		172		475	
- deferred tax liabilities	1 341		1 332		1 300	
- interest-bearing long-term liabilities	359		286		357	
Current liabilities						
- provisions	1 739		951		1 927	
- income tax liabilities	0		410		105	
- pension obligations	364		478		380	
- interest-bearing short-term liabilities	432		136		176	
- customer deposits	7 093		11 062		8 500	
- trade and other payables	17 705		14 862		16 068	
Total liabilities	29 365		29 689		29 288	
SHAREHOLDERS' EQUITY AND LIABILITIES TOTAL	54 413		53 700		55 435	

CONSOLIDATED CASH FLOW STATEMENTS	1.1.-31.3. 2006	1.1.-31.3. 2005	1.1.-31.12. 2005
CASH FLOW FROM OPERATING ACTIVITIES			
Payments received:			
- receipts from sales	22 881	25 385	108 934
- receipts from other operating income	15	1 360	483
Payments made:			
- expenses	-24 872	-19 155	-99 840
- interest and other financial expenses paid	-34	-18	-80
Interest and other financial income received	402	355	764
Dividend income received	7	20	56
Income taxes paid	-388	-1	-2 636
Net cash from (+) / used in (-) operating activities (A)	-1 989	7 946	7 681
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure:			
- capital expenditure in tangible and intangible assets	-415	-261	-3 554
Subsidiary shares:			
- acquisition of subsidiary shares	0	-203	-304
Proceeds:			
- proceeds from sale of tangible and intangible assets	21	28	713
- proceeds from sale of investments	8	0	180
Net cash from (+) / used in (-) investing activities (B)	-386	-436	-2 965
CASH FLOW FROM FINANCING ACTIVITIES			
Change:			
- change in short-term loans	256	-1 528	-1 537
- change in long-term loans	0	90	212
Dividends paid	-1 931	0	-1 526
Net cash from (+) / used in (-) financing activities (C)	-1 675	-1 438	-2 851
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	-4 050	6 072	1 865
Increase (+)/decrease (-)			
CASH AND CASH EQUIVALENTS*)			
- at the beginning	11 394	9 530	9 530
- at the end	7 344	15 602	11 395

*) Cash and cash equivalents comprise of trading assets as well as cash and bank receivables

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Share capital	Share premium	Other funds	Exchange rate diff.	Retained earnings	Total
1.1.2005	7 629	5 429	0	902	10 726	24 686
Other increase / decrease				-344	104	-240
Increase in share capital (warrants)						0
Dividends paid					-1 526	-1 526
Profit for the period					423	423
31.3.2005	7 629	5 429	0	559	9 727	23 343

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Share of the parent company	Owners of the parent company	Minority interest	TOTAL
1.1.2005		24 686	353	25 039
Other increase / decrease		-240	289	50
Increase in share capital (warrants)				0
Dividends paid		-1 526		-1 526
Profit for the period		423	26	449
31.3.2005		23 343	668	24 011

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Share capital	Share premium	Other funds	Exchange rate diff.	Retained earnings	Total
1.1.2006	7 629	5 429	14	-533	13 384	25 923
Other increase / decrease				263		263
Increase in share capital (warrants)	3	10	-14			0
Dividends paid					-2 290	-2 290
Profit for the period					927	927
31.3.2006	7 633	5 439	0	-270	12 021	24 824

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Share of the parent company	Owners of the parent company	Minority interest	TOTAL
1.1.2006		25 923	224	26 147
Other increase / decrease		263		263
Increase in share capital (warrants)		0		0
Dividends paid		-2 290		-2 290
Dividends paid		927		927
31.3.2006		24 824	224	25 048

THE DEVELOPMENT OF QUARTERLY RESULTS	Q1 2006	Q4 2005	Q3 2005	Q2 2005	LAST 12 MONTHS	1.1.-31.12. 2005
NET SALES	26 503	31 503	29 494	29 138	116 638	108 627
Other operating income	25	88	94	72	280	708
Operating expenses	-24 803	-30 184	-26 997	-27 132	-109 115	-102 054
Depreciation, amortisation and impairment charges	-595	-714	-705	-675	-2 688	-2 877
OPERATING PROFIT	1 130	694	1 886	1 404	5 114	4 403
% of net sales	4 %	2 %	6 %	5 %	4 %	4 %
Financial income and expenses	409	253	279	314	1 254	1 131
Financial expenses	-189	3	-36	-22	-244	-73
PROFIT BEFORE TAXES	1 350	950	2 129	1 695	6 124	5 461
% of net sales	5 %	3 %	7 %	6 %	5 %	5 %
Income taxes	-423	-32	-596	-531	-1 581	-1 423
PROFIT FROM CONTINUING OPERATIONS	927	918	1 533	1 165	4 543	4 038
% of net sales	3 %	3 %	5 %	4 %	4 %	4 %
BREAKDOWN OF PROFITS						
Minority interest	0	3	-2	-141	-140	-114
Owners of the parent company	927	915	1 535	1 306	4 683	4 152
EARNINGS PER SHARE, EUR						
Basic	0,24	0,24	0,40	0,34	1,19	1,09
Diluted	0,24	0,24	0,40	0,34	1,16	1,07
NUMBER OF SHARES						
Weighted average, 1 000 pcs	3 816	3 815	3 815	3 815	3 815	3 815
Diluted, 1 000 pcs	3 925	3 872	3 861	3 834	3 925	3 872

PERSONNEL	31.3. 2006	31.3. 2005	31.12. 2005
Effective on average	530	523	536
In books on average	528	528	537
In books, at the end of the period	531	521	533

SEGMENT INFORMATION *) BY GEOGRAPHICAL LOCATION	1.1.-31.3. 2006	%	1.1.-31.3. 2005	%	1.1.-31.12. 2005	%
*) Raute's primary reporting segment is the business segment. All continuing operations are categorized in to the wood products technology segment. The secondary reporting segment is geographical						
NET SALES						
Europe	4 065	15	6 402	35	43 954	40
Russia	2 254	9	2 233	12	15 534	14
North America	4 485	17	5 346	29	28 817	27
Asia	2 950	11	2 083	11	8 107	7
Rest of the world	12 749	48	2 428	13	12 215	11
TOTAL	26 503	100	18 492	100	108 627	100
ASSETS						
Europe	45 987	85	47 465	88	48 655	89
Russia	203	0	0	0	200	0
North America	8 044	15	6 091	11	6 375	11
Asia	129	0	144	0	155	0
Rest of world	50	0	0	0	50	0
TOTAL	54 413	100	53 700	100	55 435	100
CAPITAL EXPENDITURE						
Europe	332	88	461	100	3 654	96
Russia	0	0	0	0	0	0
North America	47	12	2	0	142	4
Asia	0	0	0	0	1	0
Rest of world	0	0	0	0	1	0
TOTAL	379	100	463	100	3 798	100

NET SALES BY MARKET AREA	1.1.-31.3. 2006	%	1.1.-31.3. 2005	%	1.1.-31.12. 2005	%
Finland	1 501	6	3 334	18	30 444	28
Rest of Europe	2 565	10	3 068	17	13 510	12
Russia	2 254	9	2 233	12	15 534	14
North America	4 485	17	5 346	29	28 817	27
Asia	2 950	11	2 083	11	8 107	7
South America	12 463	47	1 071	6	4 556	4
Oceania	19	0	1 158	6	2 366	2
Other	267	1	199	1	5 293	6
TOTAL	26 503	100	18 492	100	108 627	100

OFF BALANCE SHEET COMMITMENTS AND DERIVATIVES	31.3. 2006	31.3. 2005	31.12. 2005
COMMITMENTS			
Security of own debts			
- mortgages	11 134	11 151	11 134
Security for Group's liabilities			
- guarantees	7 329	2 207	4 111
Security for others' liabilities			
- guarantees	0	268	0
Other own liabilities			
Leasing and rent liabilities:			
- for the current accounting period	209	94	179
- for the following accounting periods	106	59	122
FOREIGN EXCHANGE DERIVATIVES			
Foreign exchange derivatives are used for currency hedging.			
Forward contracts:			
- nominal value	8 245	18 315	9 901
- market value	13	(401)	(145)
No loans or pledges given or other commitments made on behalf of the company's management, shareholders or associated companies.			

GROUP KEY RATIOS	1.1.-31.3. 2006	1.1.-31.3. 2005	1.1.-31.12. 2005
Return on investment , ROI	23,4 %	9,9 %	20,7 %
Return on equity , ROE	14,5 %	6,9 %	15,8 %
Quick ratio	1,7	2,0	2,0
Gearing	-26,2 %	-63,2 %	-41,5 %
Equity ratio	52,9 %	56,3 %	55,7 %
Order book, €m	39	56	55
Order intake, €m	4	38	109
Exported portion of net sales	94,3 %	82,0 %	72,0 %
Change in net sales %	43,3 %	9,5 %	48,6 %
Gross capital expenditure, €m	0,4	0,5	3,8
Gross capital expenditure of net sales	1,6 %	2,5 %	3,5 %
Research and development	1,0	0,6	3,6
- capital expenditure, €m	0,0	0,1	0,2
- expenses, €m	1,0	0,5	3,4
Research and development of net sales	3,7 %	3,5 %	3,3 %
SHARE RELATED KEY RATIOS			
Earnings per share (EPS), EUR			
- basic	0,24	0,10	1,09
- diluted	0,24	0,10	1,07
Equity to share, EUR	6,50	6,12	6,80
Dividend per share, EUR			0,60
Dividend per profit, %			55,1 %
Effective dividend return, %			4,2 %
Share price at the end of period	16,31	8,50	14,24
Equity issue adjusted number of shares			
- weighted average, 1 000 pcs	3 816	3 815	3 815
- diluted, 1 000 pcs	3 925	3 822	3 872

THE LARGEST REGISTERED SHAREHOLDERS on 31 March 2006	Number of K-shares (20 votes per share)	Number of A-shares (1 vote per share)	Total number of shares
SUNDHOLM GÖRAN	0	430 000	430 000
VARMA MUTUAL PENSION INSURANCE COMPANY	0	200 000	200 000
SUOMINEN JUSSI MATIAS	48 000	74 759	122 759
SUOMINEN TIINA SINI-MARIA	48 000	74 759	122 759
SUOMINEN PEKKA MATIAS	48 000	74 159	122 159
MUSTAKALLIO KARI PAULI	60 480	60 009	120 489
KIRMO KAISA MARKETTA	50 280	65 092	115 372
SIIVONEN OSKU PEKKA	50 640	59 539	110 179
OP SUOMI KASVU MUTUAL FUND	0	100 000	100 000
KESKIAHO LEENA	33 600	51 116	84 716
SÄRKIJÄRVI RIITTA	60 480	22 009	82 489
MUSTAKALLIO RISTO	42 240	35 862	78 102
MUSTAKALLIO ULLA SINIKKA	47 240	25 862	73 102
MUSTAKALLIO MIKA	37 750	34 670	72 420
POHJOLA FINLAND VALUE SIIJOITUSRAHASTO	0	71 000	71 000
MUSTAKALLIO MARJA HELENA	42 240	20 662	62 902
MUSTAKALLIO KAI HENRIK	47 240	12 362	59 602
KIRMO LASSE	30 000	26 200	56 200
SÄRKIJÄRVI TIMO JUHA	12 000	43 256	55 256
SÄRKIJÄRVI-MARTINEZ ANU RIITTA	12 000	43 256	55 256
TOTAL	670 190	1 524 572	2 194 762
percentage from total amount of shares	67,6 %	54,0 %	57,5 %
OTHER SHAREHOLDERS	320 971	1 300 525	1 621 496
TOTAL	991 161	2 825 097	3 816 258

MANAGEMENT'S STAGE	96 990	76 838	173 828
percentage from total amount of shares	9,8 %	2,7 %	4,6 %
ADMINISTRATIVE REGISTERED		37 610	37 610
percentage from total amount of shares		1,3 %	1,0 %

Member of the Board had 10 000 pcs warrants to subscribe Raute Corporation's A-shares on 31 March 2006.

RAUTE CORPORATION

Board of Directors

FURTHER INFORMATION:

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