

Interim Report 1 January - 30 September 2009

27 October 2009

Tapani Kiiski, President and CEO



Market situation continues very difficult

- Demand production volumes for plywood and LVL products remain at very low levels
 - Global economic recession and especially the weak markets of the construction and transportation industries
 - Production capacity has been adopted to meet the low demand. Some of the least profitable mills have been stopped or closed for good
 - No need for capacity enhancing investments
 - Availability and terms for financing restrict smaller investments targeting capacity enhancement
- Weak demand for wood products and the uncertainty of the financial markets have further delayed plywood and LVL industries' mill-scale projects in the negotiation phase
- Demand for technology services at a low level
 - Low capacity utilization rates affect the demand for maintenance and spare part services
 - The difficult market situation and the price and availability of financing have also slowed down the demand of investment type modernizations

1-9/2009 in brief

MEUR	1-9 2009	1-9 2008
Net sales	29.0	79.8
Operating profit	-6.4	6.1
New orders:		
• Project deliveries	5	40
• Technology services	11	18
Order book	11	32

MEUR	Q3 2009	Q3 2008
Net sales	8.1	25.2
Operating profit	-2.3	2.2
New orders:		
• Project deliveries	2	5
• Technology services	3	4

- New orders at a very low level and the order book continued to decrease
 - Difficult market situation of the customer industries
 - Low capacity utilization rates of the customers' mills
 - Further postponement of investment decisions of mill-scale projects
- Net sales down 64%
- Operating profit negative despite the adaptation measures taken
 - Operating profit for the whole year 2009 will remain negative

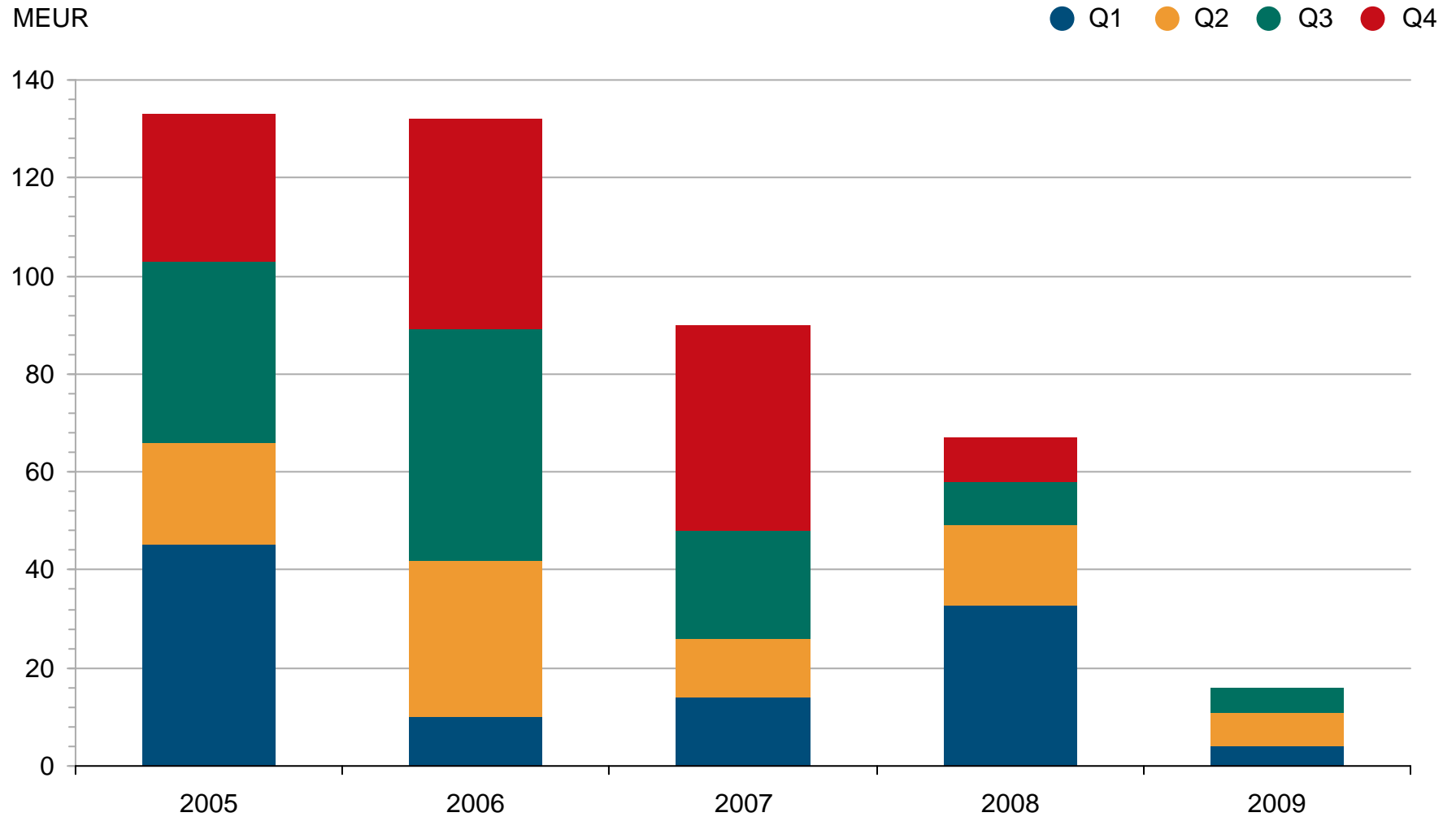
Income statement and key figures

MEUR	1-9 2009	1-9 2008	2008
Net sales	29.0	79.8	98.5
Operating profit	-6.4	6.1	6.3
Financial income and expenses	0	0.4	0.5
Result before tax	-6.4	6.6	6.9
Income tax	1.2	-2.0	-2.2
Result for the period from continuing operations	-5.3	4.5	4.7
Earnings per share, EUR	-1.31	1.14	1.18
Operating cash flow	-0.8	13.7	6.9
Return on investment (ROI), %	-20.2	26.7	19.4
Gearing	-25.0	-53.1	-31.0
Equity ratio, %	58.5	67.4	60.5
Personnel (in books)	530	584	573

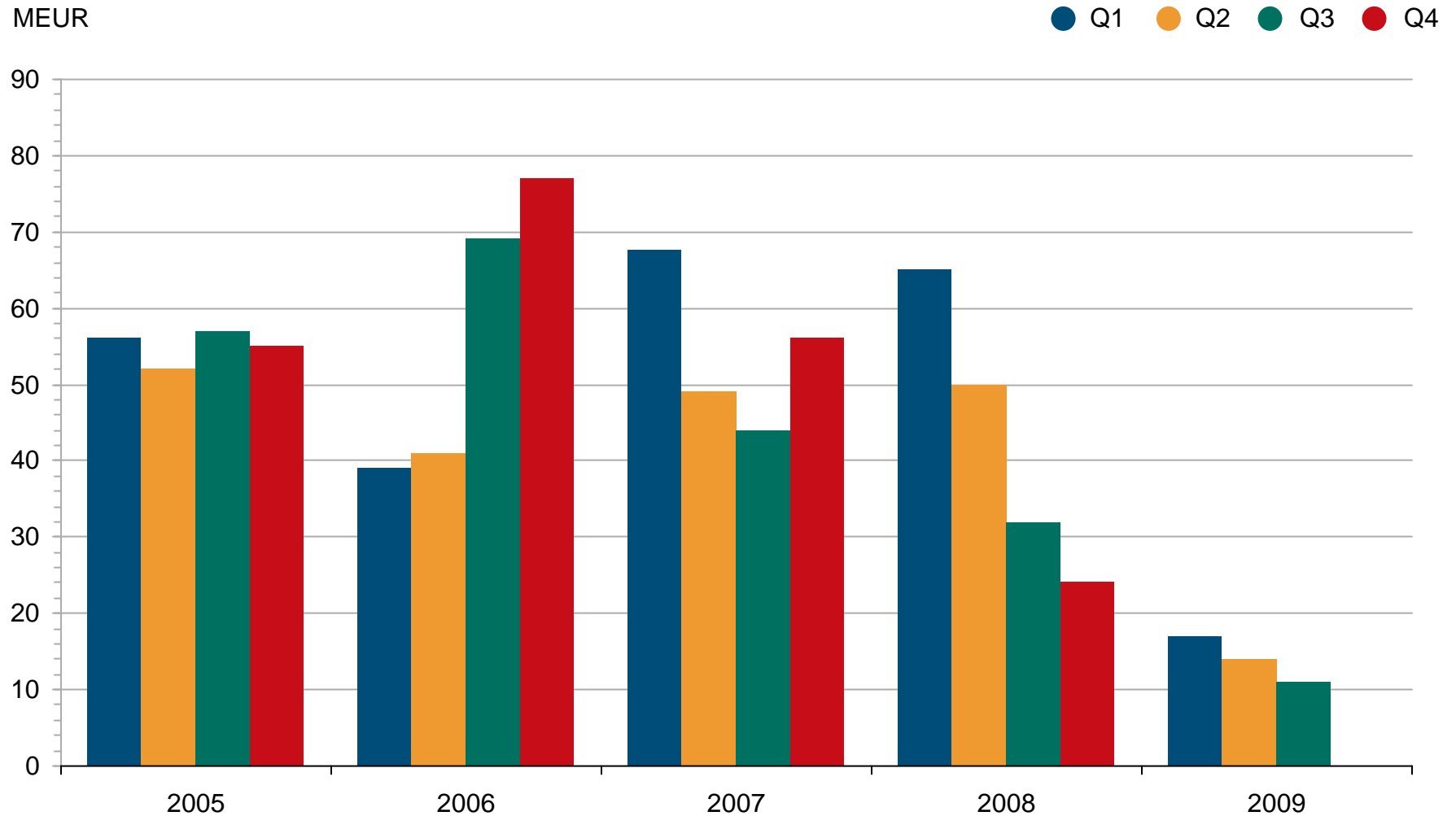
Balance sheet

MEUR	30.9.2009	30.9.2008	31.12.2008
Intangible assets	1.9	3.2	2.5
Tangible assets	10.3	10.9	11.2
Other non-current assets	2.6	1.0	0.8
Inventories	4.4	5.1	4.3
Accounts receivables and other receivables	10.7	20.9	20.3
Cash and cash equivalents	16.0	18.7	21.1
Total assets	45.9	59.7	60.2
Shareholders' equity	25.9	34.3	34.3
Non-current liabilities	8.0	1.5	9.1
Advance payment received	1.6	8.7	3.5
Current liabilities	10.3	15.1	13.3
Total shareholders' equity and liabilities	45.9	59.7	60.2

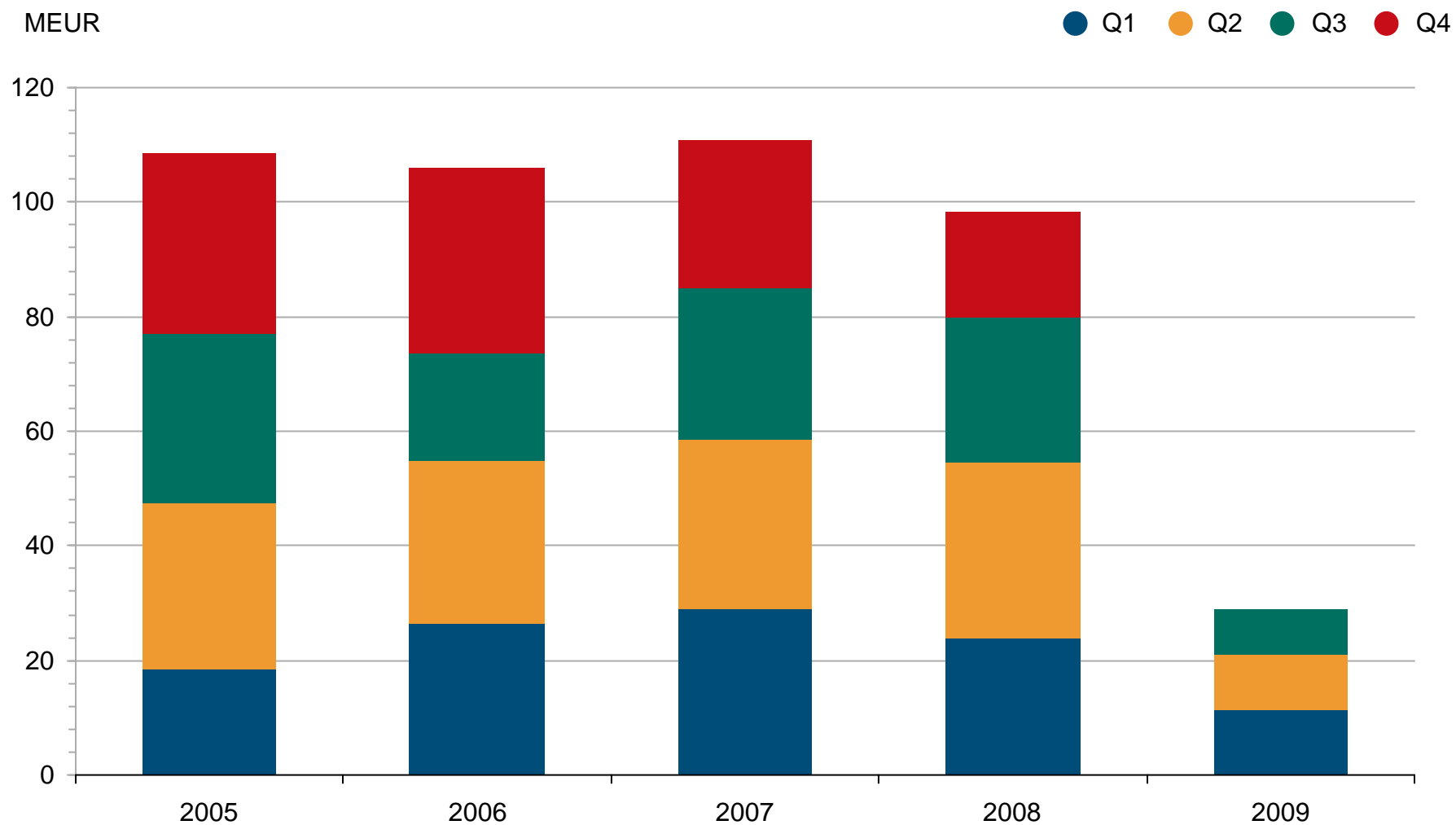
New orders



Order book

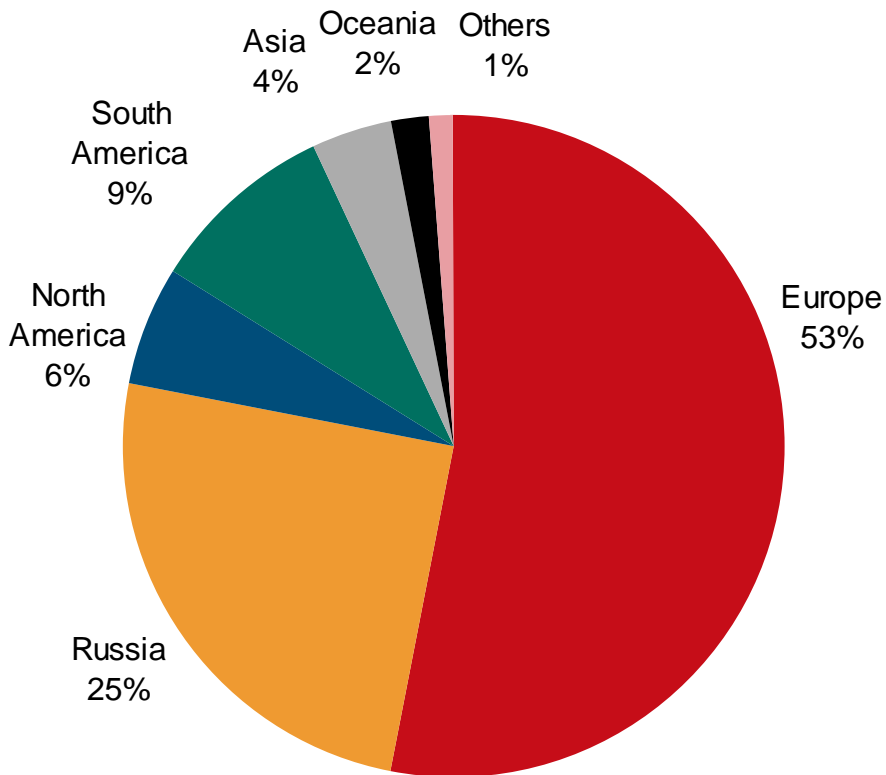


Net sales

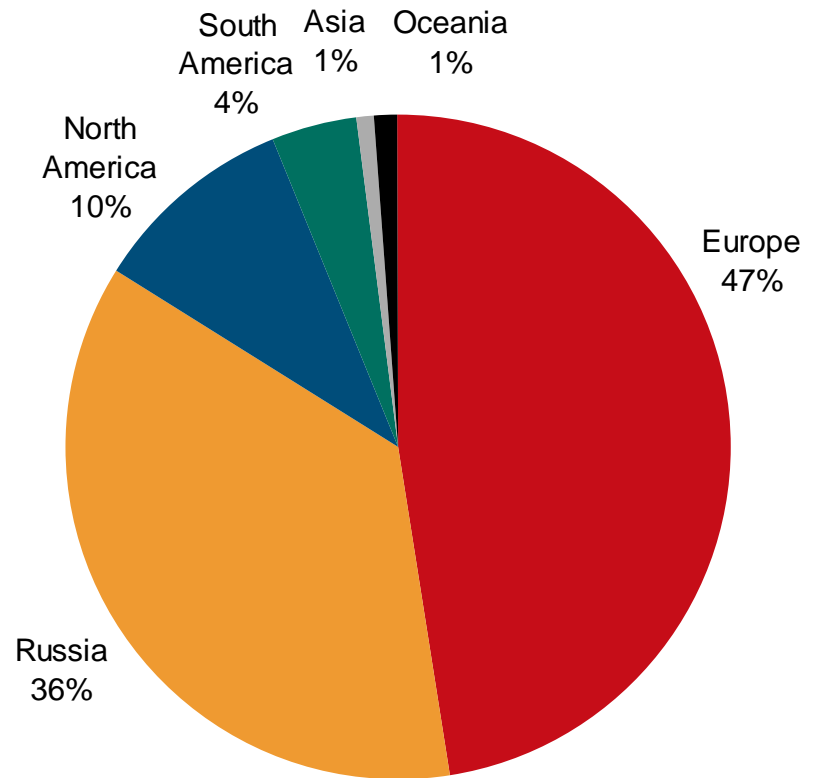


Net sales by market area, %

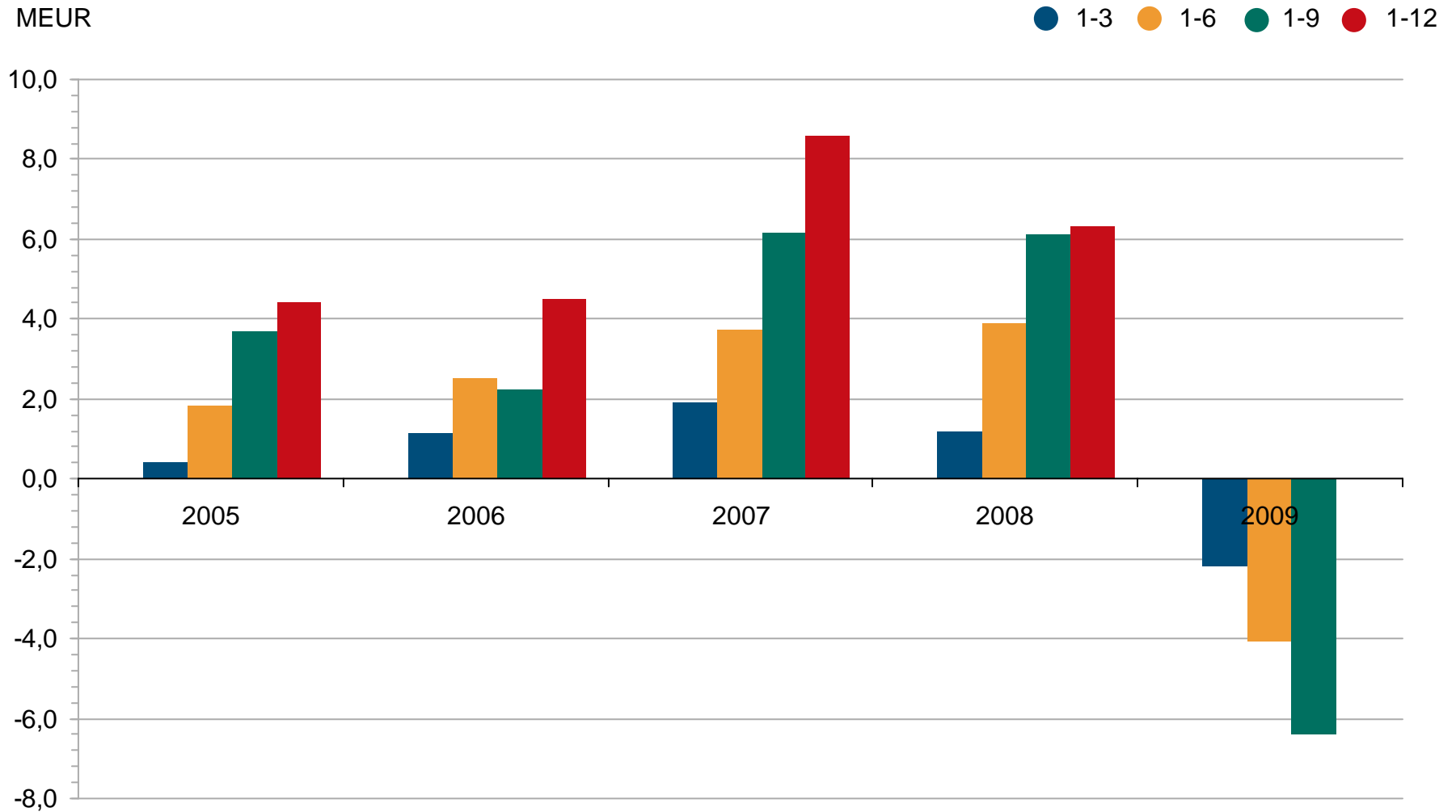
1-9 2009



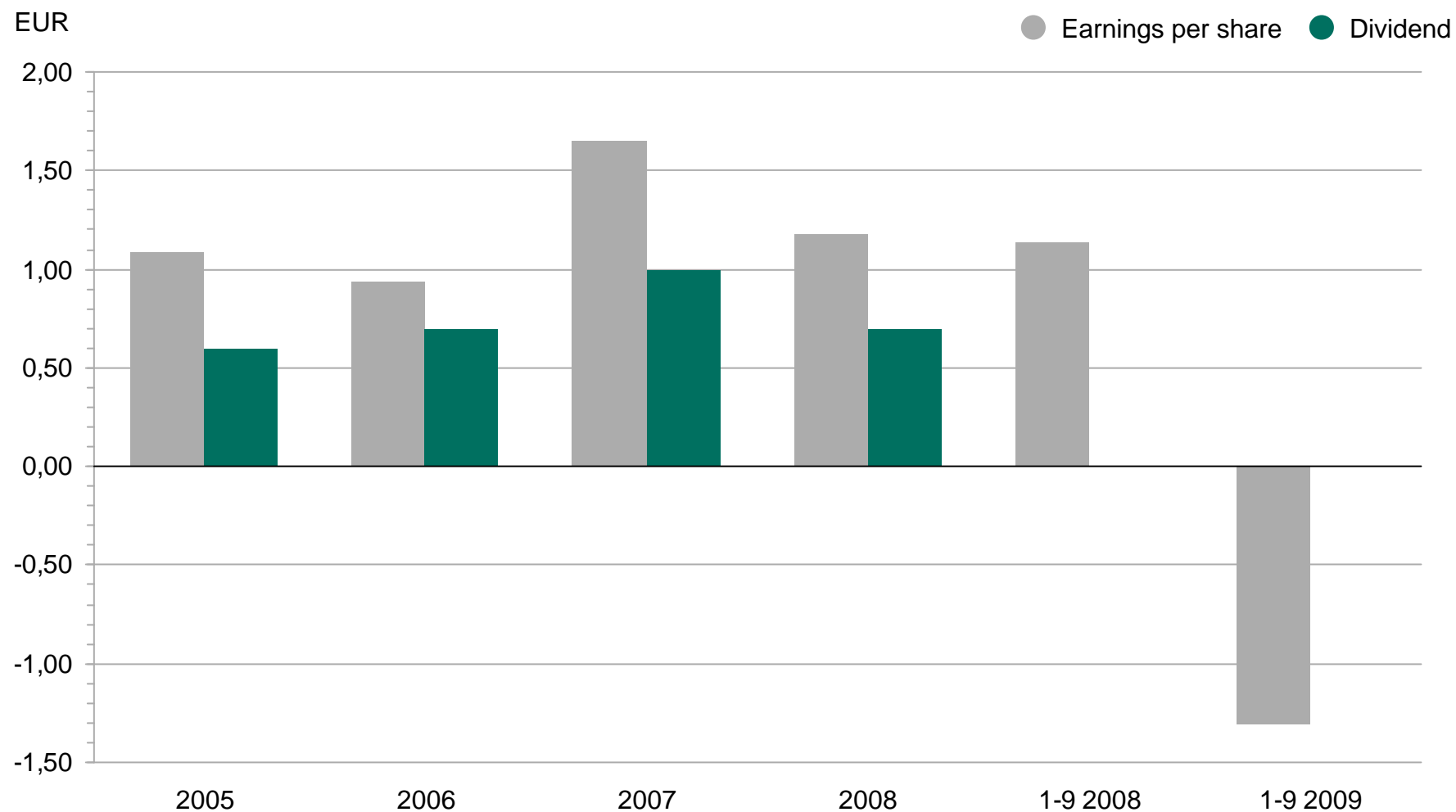
1-9 2008



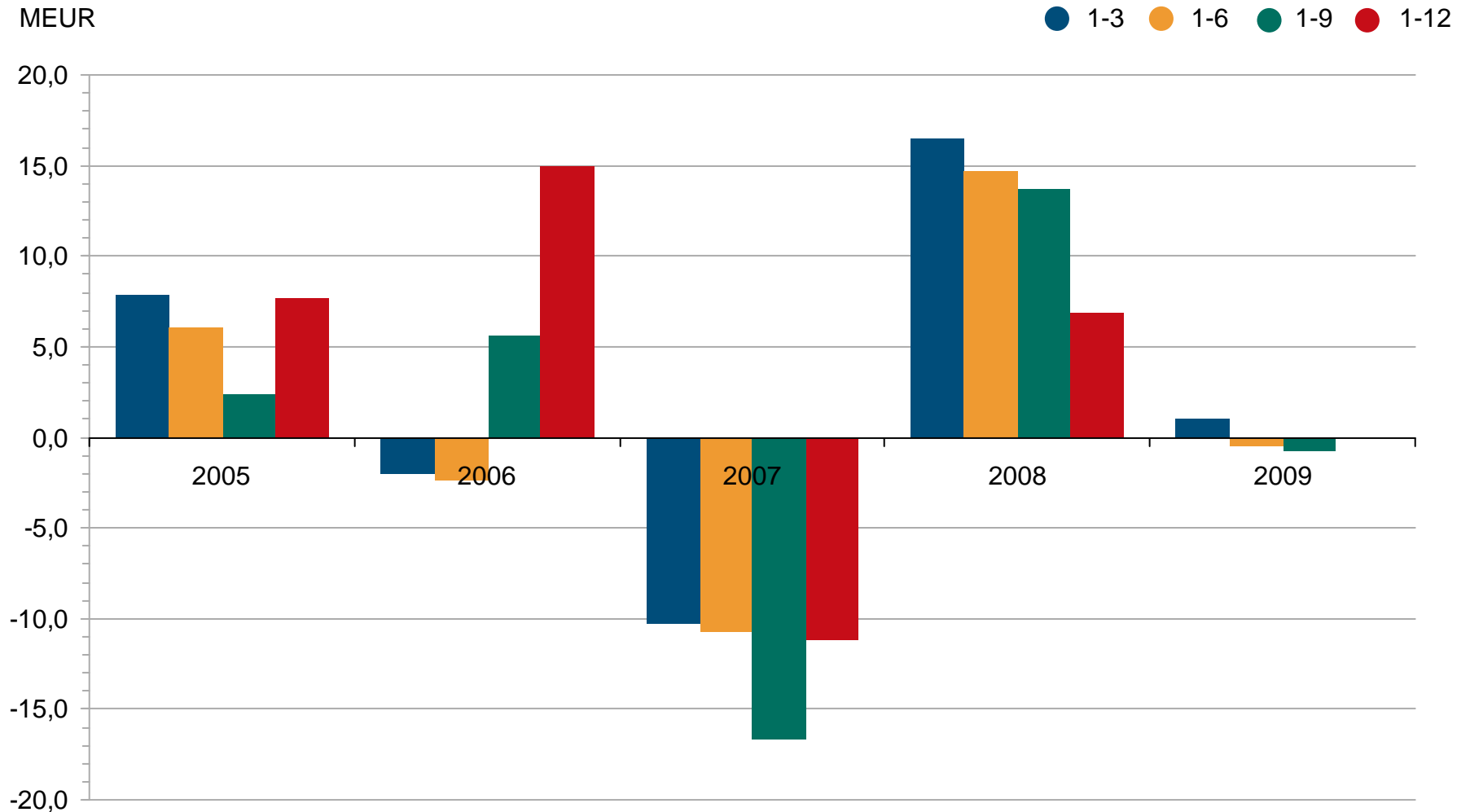
Operating profit



Earnings per share



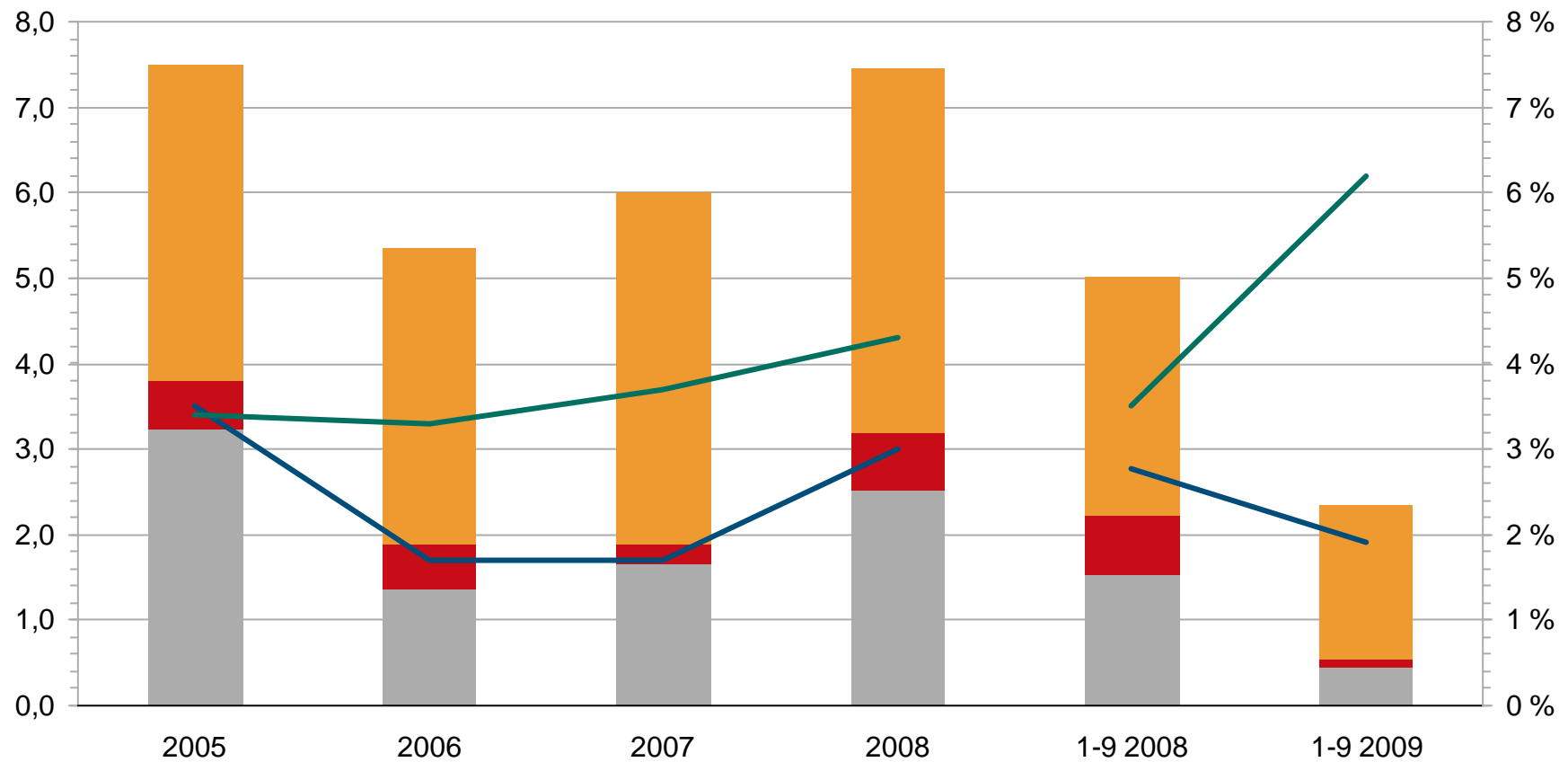
Operating cash flow



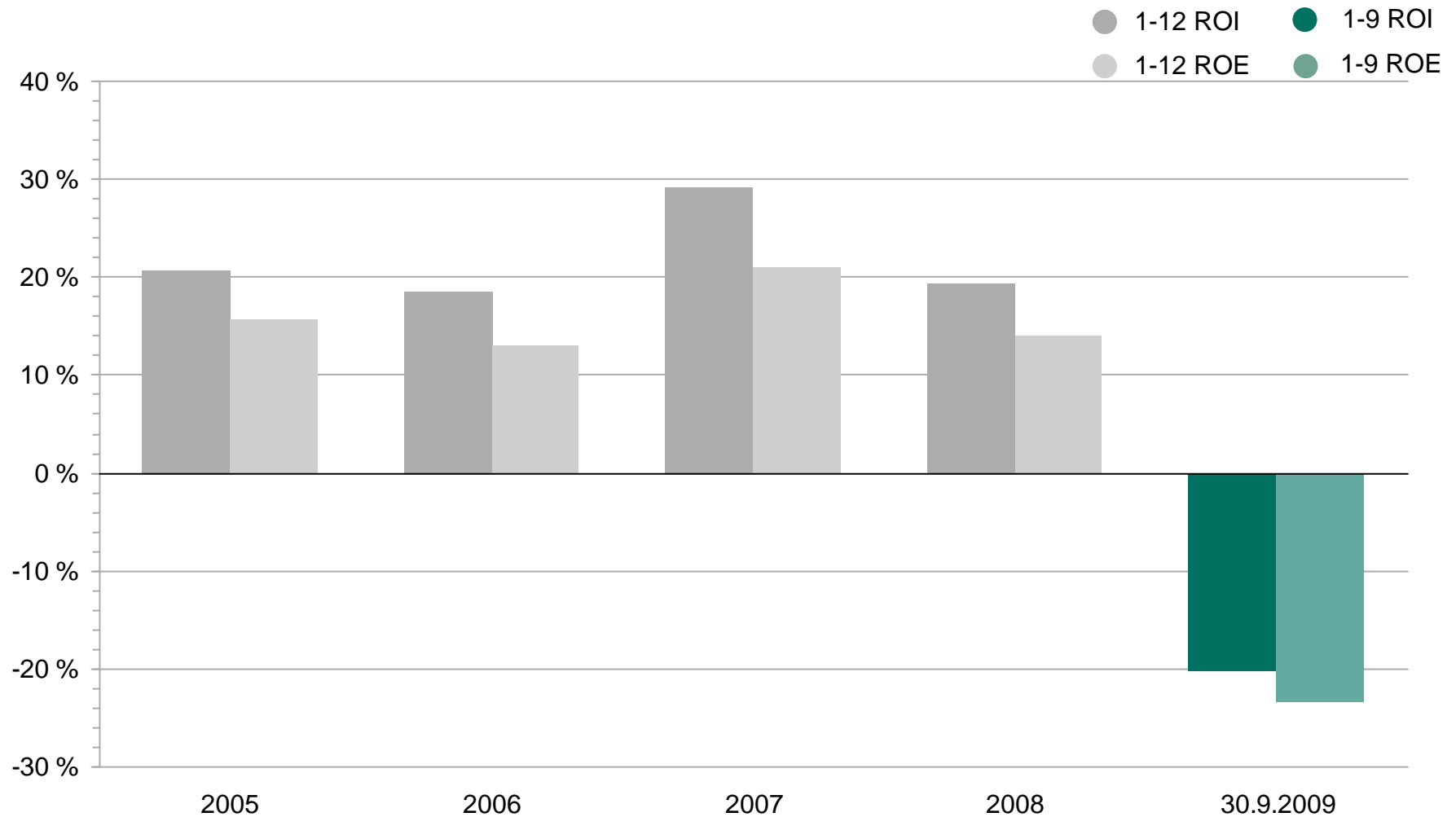
Investing in the future

MEUR

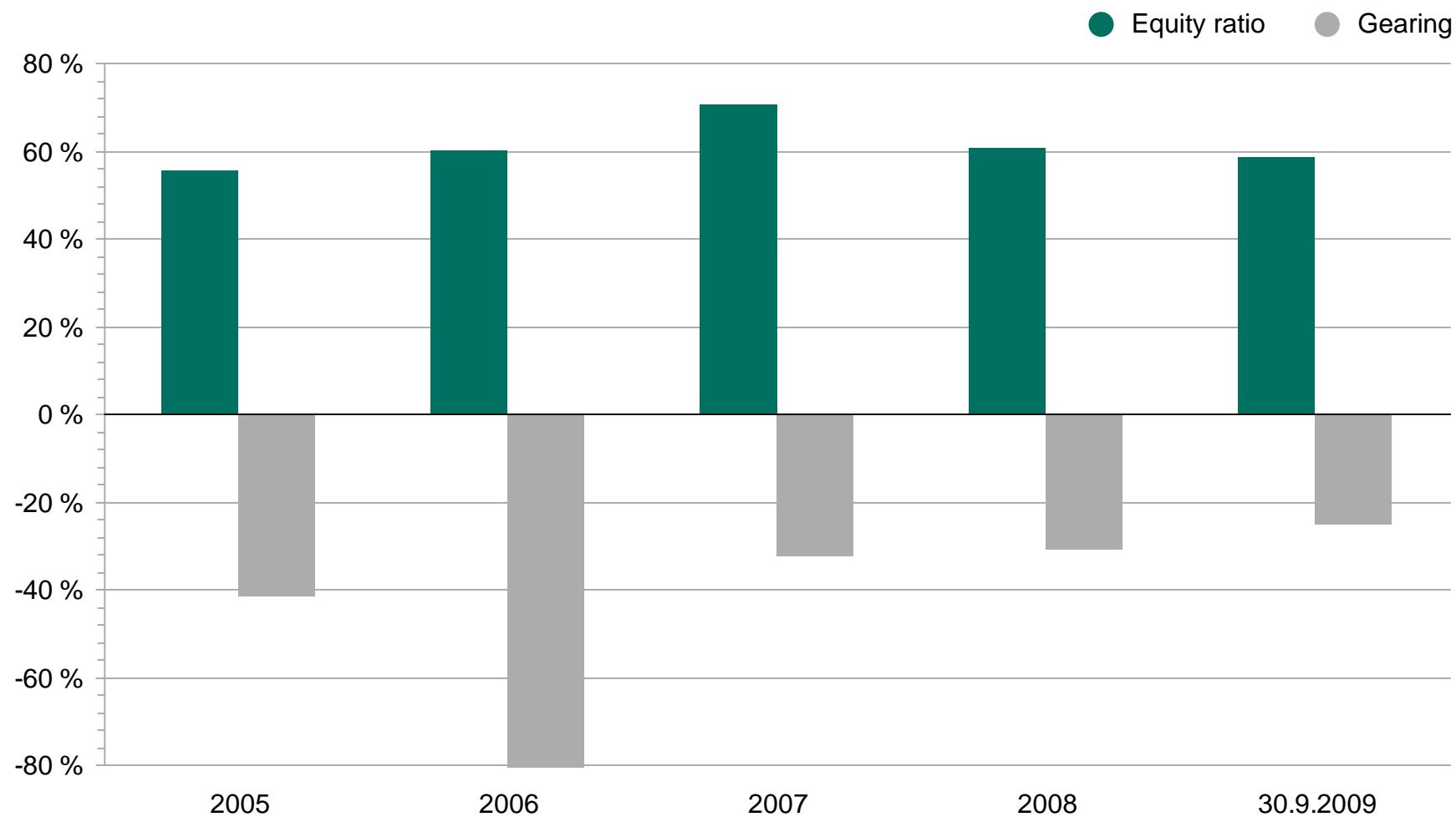
● Capital expenditure
 ● R&D expenditure
 ● R&D costs
— Capital expenditure of net sales, %
 — R&D costs of net sales, %



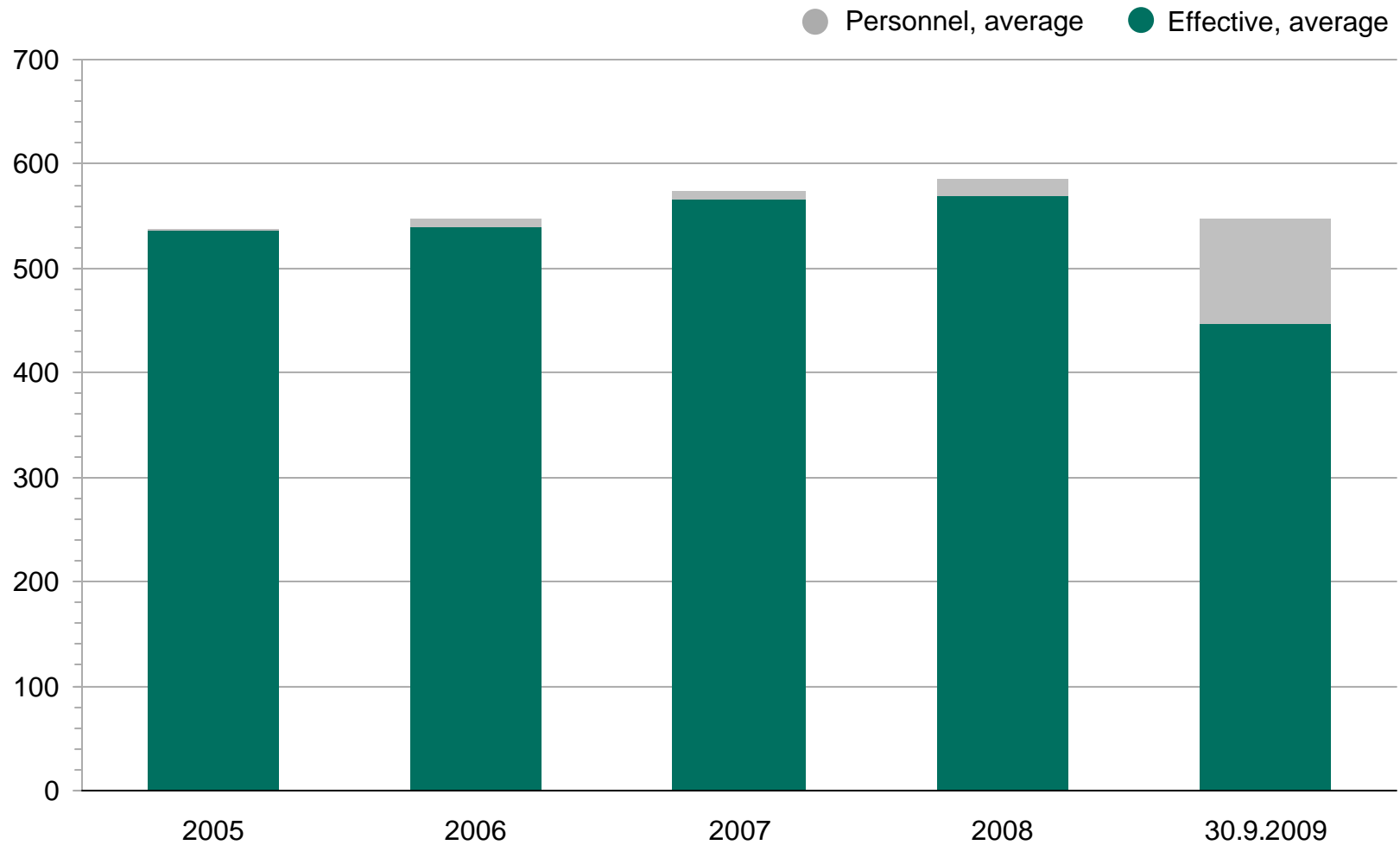
Return on investment (ROI) Return on equity (ROE)



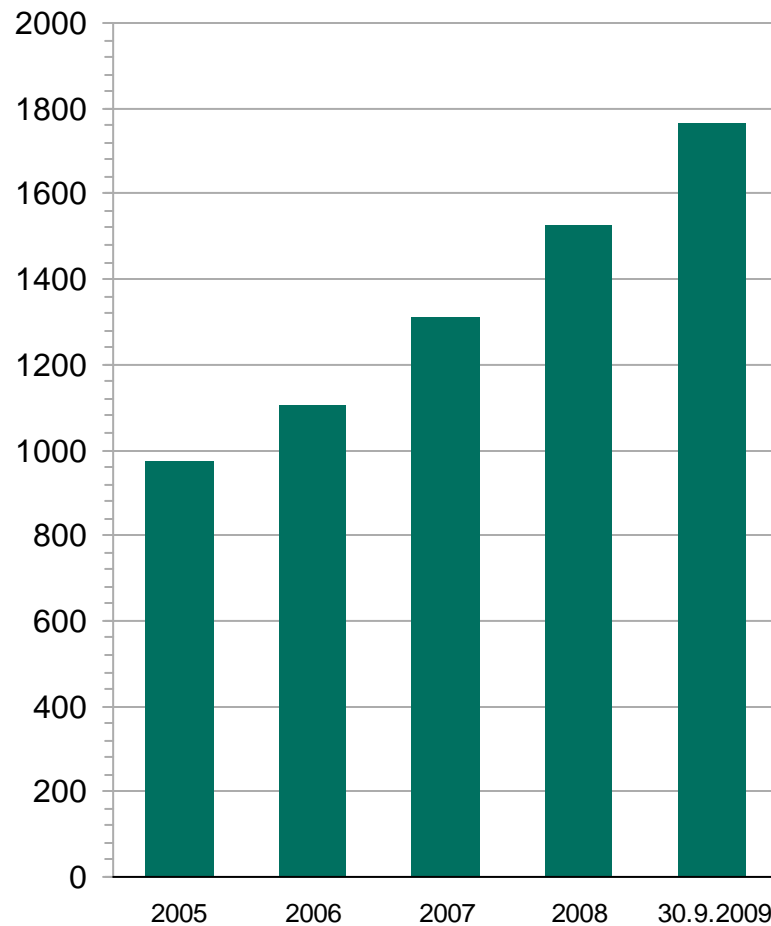
Equity ratio and gearing



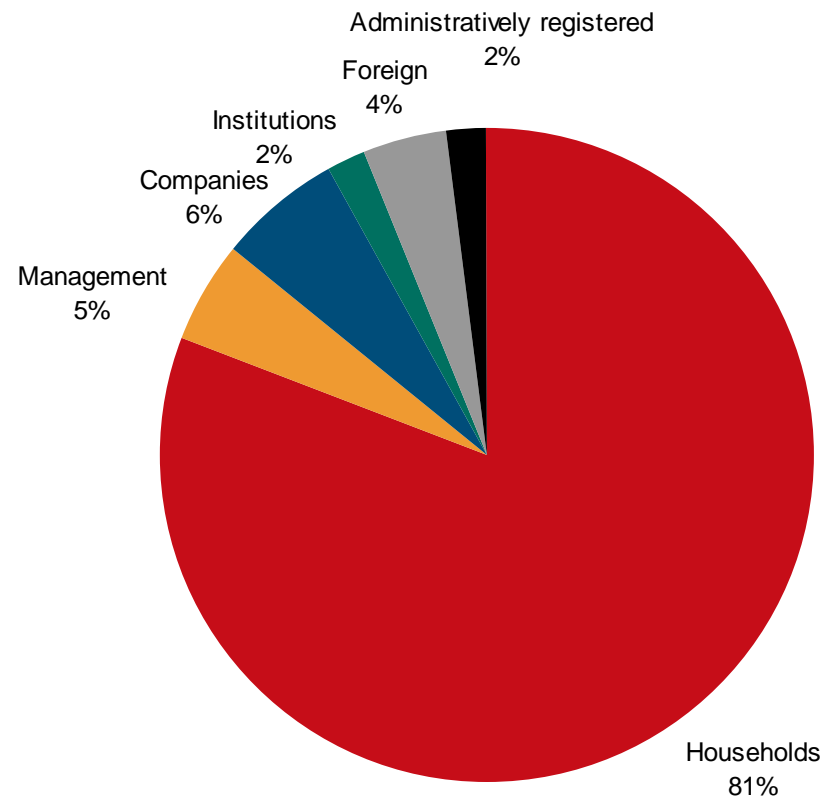
Number of personnel



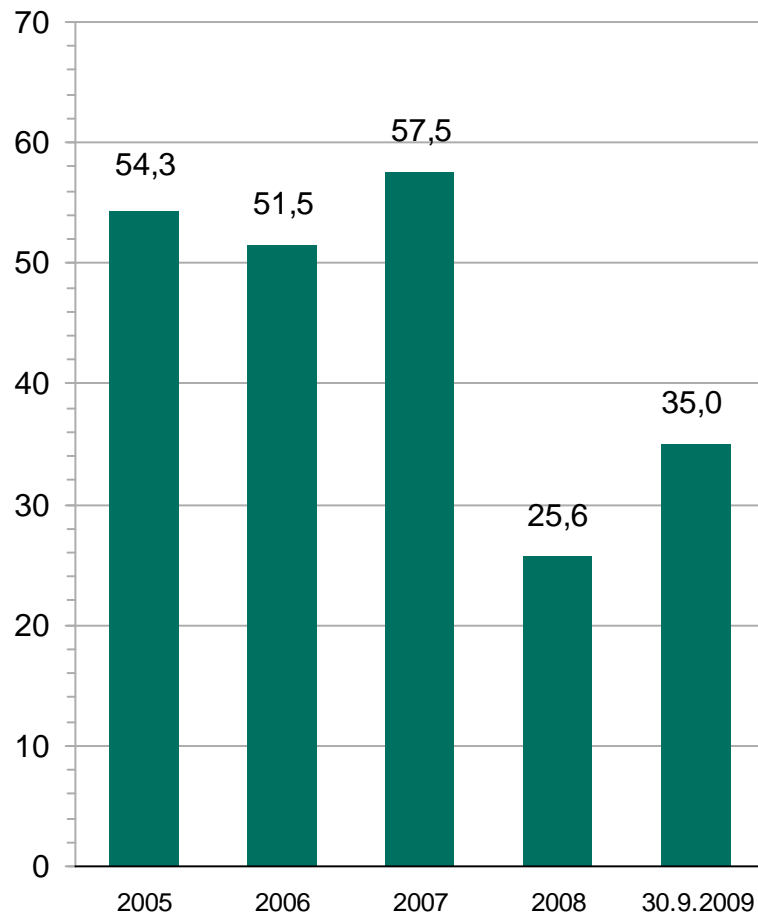
Development of the number of shareholders



Ownership, 30 September 2009

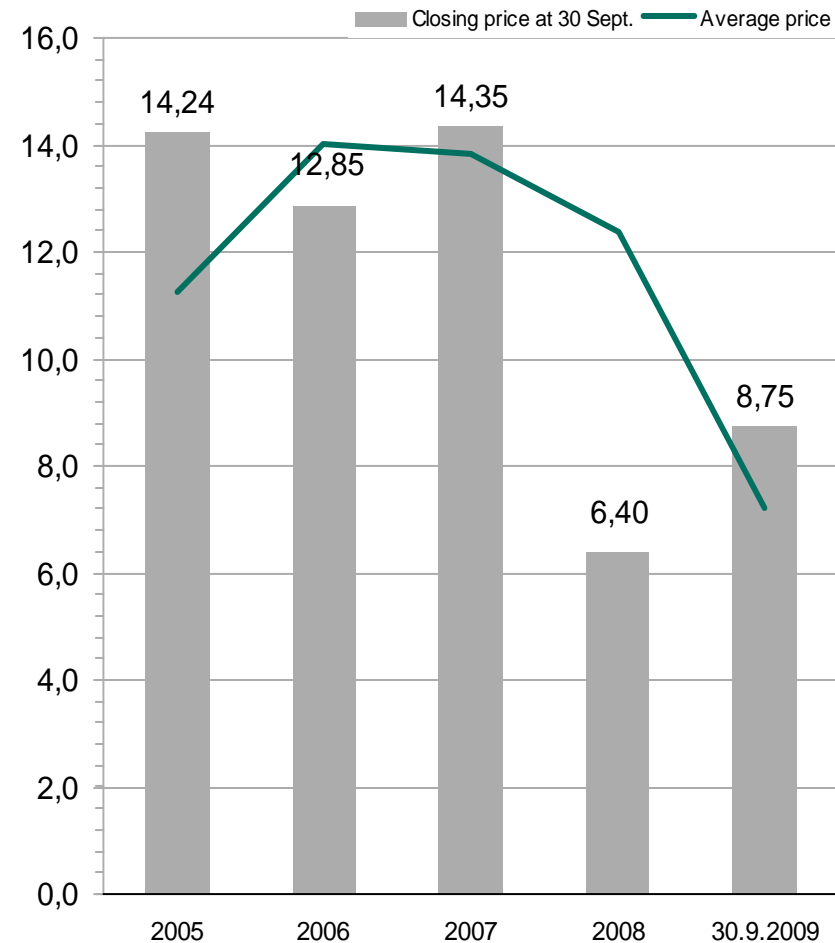


Market value, MEUR



Series K shares appreciated to the value of series A shares

Share price, EUR



Outlook for 2009

- Customer industries:
 - Difficult market situation is estimated to continue for the whole year 2009
 - Global financial crisis continues to affect investment decisions
 - New, also mill-scale projects in the planning phase in several market areas. Timing and realization is uncertain
- Raute:
 - Order book at a very low level
 - Demand for project deliveries and technology services at a low level
 - Global financial crisis and the difficult market situation of the customer industries have affected investment activity, also in the case of modernizations
 - Demand for maintenance and spare part services has lowered due to the low capacity utilization rates of the customers' mills
 - Net sales for 2009 will decline significantly
 - Operating profit for 2009 will remain negative, despite the adaptation measures taken

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