

Financial statements 2009

11 February 2010



RAUTE CORPORATION - FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

- Net sales totaled EUR 36.6 million (MEUR 98.5), down 63 percent. The significant decrease resulted from the market situation.
- Operating profit was EUR -9.7 million (MEUR +6.3) and profit before tax EUR -9.9 million (MEUR +6.9).
- Earnings per share were EUR -2.03 (EUR +1.18).
- The order intake, EUR 35 million (MEUR 67), and the order book at the end of the reporting period, EUR 22 million (MEUR 24), were both at a low level.
- The Board of Directors will propose to the Annual General Meeting that no dividend shall be paid for 2009.
- Net sales are expected to grow in 2010 and operating profit to clearly improve over the previous year. Achieving a positive result will depend on the volume of order intake during the first half of the year.

MR. TAPANI KIISKI, PRESIDENT AND CEO: WEAK SIGNS OF IMPROVEMENT

Measured by net sales, the final quarter of 2009 was the weakest of last year and our net sales for the whole year decreased by 63 percent. Our order book dipped to an all-time low even in early December. We responded to the decline in net sales with adaptation measures aimed at the personnel and other cost-saving measures. We achieved our target in cost savings, in addition to which goal we wished to ensure that our competence and delivery ability are retained. Our personnel expenses decreased by EUR 6.5 million and other operating expenses by EUR 3.5 million from the previous year. However, the cost savings achieved through the adaptation measures were exceeded by the effect of the decline in demand on the result, and our profitability for the whole year was weak.

In addition to the year-long adaptation measures, we implemented several renewals in order to improve our competitiveness and boost our operations. During the final quarter, we continued our organizational renewals by combining the resources of project deliveries and technology services. In this way we will ensure the flexible use of our expertise for various customer needs, according to each demand situation. We also made the decision to continue to adapt our North American operations to better correspond with the present demand level. In North America we will be decreasing the size of

our organization and concentrating our efforts on products that will allow us to help our customers boost their operations instead of increasing their production capacity. Our Canadian unit will also transfer to new facilities which serve our renewed operational model.

During the final quarter we received more orders than during the first three quarters put together. The start-up of the new, long-planned Brjanskij Fanernyi Kombinat plywood mill, in which the customer chose Raute as its partner, brought a boost to the ominously weakened order book. Also in January we received a significant order for our Asia-Pacific region order book. I will not, however, go so far as to say that on the basis of these orders, Raute no longer faces a weak market situation. As a supplier of investment commodities, we have typically been able to make use of improvements in the global market situation later than many other sectors. The timing and implementation of customers' new investment decisions and the development of our order book following these orders is still difficult to predict.

However, the improvement in our order book during the first part of the year presents us with a much better starting point than what we were prepared for a few months earlier. The market situation for our customers has not yet returned to a normal level, which is still reflected in the demand

for Raute's products and services. Only after a delay will we begin to see the effects of a recovering economy on the demand for Raute's products. This year will again be a challenging one for Raute. Due to last year's low reference level, we expect our growth, measured by the percentage of growth in net sales, to look strong, but our profitability in 2010 will not yet rise to the level we are hoping for.

I would like to thank our customers for the confidence they have shown in Raute, all the while themselves trying to operate in a very difficult market situation. And my deep gratitude goes out to all Raute employees for the good work they contributed during extremely trying circumstances, and for showing an understanding attitude during tough adaptation measures. My thanks also go out to our partner network and stakeholder groups for the past year. Raute's struggles have also posed challenges to many of you. The only way to go from here is up.

**RAUTE CORPORATION - FINANCIAL
STATEMENTS JANUARY 1 – DECEMBER
31, 2009**

BUSINESS ENVIRONMENT

Market situation in customer industries

2009 was challenging in all market areas for Raute's customer industries. The plywood and LVL industries, manufacturers of wood-based panel products used in investment commodities, are highly affected by fluctuations in the fields of construction, housing-related consumption, international trade, and transportation. In general, due to the economic recession and especially because of the difficult situation faced by the construction and transport industries, the demand for wood-based panel products remained at a low level in all of the company's significant market areas. The majority of the mills have had to adapt their production levels to correspond with the lowered demand either by shortening their workweek or implementing shut-down periods of varied duration. Some of the

least profitable and least efficient mills have been closed for good.

Demand for wood products technology and technology services

Due to the low demand for wood-based panel products and the uncertain market outlook, investment activity in the plywood industry has been at a very low level in all market areas. In several market areas, the investment decisions for mill-scale, capacity-increasing projects, which had long been in the planning, were further postponed. Investments in the LVL industry, which is dependent on construction industry activity, were at a very low level in all market areas.

The uncertainty in the financial markets continued in the emerging markets that are important to Raute and, above all, the availability of long-term financing, security demands, price and other conditions limited investments. The financial market situation was also the main impediment to implementing the modernizations aimed at improving the efficiency of existing mills. Demand for maintenance and spare parts services also dropped to a low level in all market areas due to the decreased capacity utilization rates.

ORDER INTAKE AND ORDER BOOK

Raute's business consists of providing project deliveries and technology services to the wood products industry. Project deliveries encompass complete mills, production lines, and individual machines and equipment. Technology services include maintenance, spare parts services, equipment modernization, consulting, training, and reconditioned machinery.

The order intake for 2009 was only EUR 35 million (MEUR 67). The significant decline in the order intake volume resulted from the weakened market situation in customer industries and the postponement of large mill-scale projects. The postponements are evaluated to result from the decrease in demand for plywood and LVL and more difficult financing of investments.

The proportion of project deliveries in the order intake in 2009 was EUR 19 million (MEUR 44). Within project deliveries, Russia accounted for 87 percent (32%) and Europe for 10 percent (58%). The share of other market areas was 3 percent (10%). The most significant single new order was the EUR 12 million sale of production machinery for a plywood mill in Russia in December. The proportion of technology services in the order intake in 2009 was EUR 16 million (MEUR 23).

During the final quarter of the year, the order intake was EUR 19 million (MEUR 9) and the order book increased by EUR 11 million (MEUR -8).

The order book at the end of 2009, EUR 22 million (MEUR 24), remained at a low level.

COMPETITIVE POSITION

There have been no essential changes in the Group's competitive position in 2009. Customers appreciate the supplier's comprehensive competence and strong technology development in their strategic investments aimed at ensuring their ability to deliver and provide service. The competitive advantage provided by Raute's technology plays an important role when customers select their suppliers.

NET SALES

The Group's net sales totaled EUR 36.6 million (MEUR 98.5), down 63 percent from 2008. The significant decline in net sales was due to the low order intake. The net sales for the final quarter of the year, EUR 7.7 million (MEUR 18.6), were the lowest of the year.

Net sales were generated exclusively by project deliveries and technology services related to the wood products technology business.

Net sales for project deliveries totaled EUR 22 million (MEUR 73), down 70 percent from the previous year, accounting for 60 percent (74%) of net sales. The plywood

industry's share of the net sales of project deliveries was 98 percent (99%).

Net sales for technology services totaled EUR 15 million (MEUR 25), down 40 percent from the previous year, accounting for 40 percent (26%) of net sales. The decrease in net sales was linked to the lower capacity utilization rates in the plywood and LVL industries and the shut-down of several customer mills.

Europe took over as the biggest market area in 2009, accounting for 45 percent (48%) of net sales. Russia's share of net sales was 31 percent (35%) and South America's was 11 percent (4%). North America's share fell to 7 percent (10%). The share of other market areas was 6 percent (3%).

RESULT AND PROFITABILITY

The Group's operating profit (IFRS) for 2009 declined to EUR -9.7 million (MEUR +6.3) and accounted for -26 percent of net sales (6%). The significant decline in net sales weakened the operating profit and the operating profit percentage, despite adaptation measures.

In order to adapt to the drastically weakened market situation in North America, restructuring measures were decided on in Raute's Canadian subsidiaries in October. A total of EUR 0.8 million in one-time costs relating to the restructuring was recorded in 2009.

The Group's financial income and expenses totaled EUR -0.2 million (MEUR +0.5). The Group's profit before tax was EUR -9.9 million (MEUR +6.9) and the profit for the reporting period was EUR -8.1 million (MEUR +4.7). The Group's comprehensive income totaled EUR -8.4 million (MEUR +5.0).

Earnings per share were EUR -2.03 (EUR +1.18). There were no dilutive items. Return on investment was -22 percent (+19%) and return on equity -28 percent (+14%).

Net sales for the final quarter were the weakest of the year at EUR -3.3 million (MEUR +0.2). Earnings per share were EUR -0.72 (EUR +0.04). In addition to the low net sales, fourth quarter profitability was weakened by reorganization costs of EUR 0.8 million.

CASH FLOW AND BALANCE SHEET

The Group's financial position remained good throughout the year. The Group's cash and cash equivalents at the end of the financial year exceeded interest-bearing liabilities by EUR 9.4 million (MEUR 10.6). At the end of the financial year, the equity ratio was 46 percent (61%) and gearing - 41 percent (-31%).

The Group's cash and cash equivalents, including financial assets recognized at fair value through profit or loss, stood at EUR 27.9 million (MEUR 21.1) at the end of the financial year. The change in cash and cash equivalents in the financial year was EUR 6.8 million positive (MEUR 9.8). Despite the negative operating profit, operating cash flow was EUR 5.6 million positive (MEUR +6.9) due to the decrease in net working capital. Cash flow from investment activities totaled EUR - 0.9 million (MEUR -3.1). Cash flow from financing activities was EUR 2.1 million positive (MEUR +6.0) including a EUR 3 million security deposit related to TyEL loan security arrangements, EUR 10 million in new TyEL loans, EUR 2 million in TyEL loan instalments and EUR 2.8 million in dividend payments for 2008.

Raute Corporation has prepared for an increase in the Group's working capital requirements and possible disturbances in the availability of money by taking out a EUR 10 million TyEL loan in December. The loan has a fixed interest rate and the loan period is five years. Due to the new loan, interest-bearing liabilities increased to EUR 18.5 million (MEUR 10.5) at the end of the financial year and its effect on the equity ratio was -11 percentage units.

At the end of 2009, the Group's balance sheet total stood at EUR 57.4 million (MEUR 60.2). Other fluctuations in balance sheet

items and the key figures based on them are the result of differences in the timing of customer payments and the cost accumulation from project deliveries, which is typical of the project business.

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 regulation agreements worth EUR 8 million with two different Nordic banks.

LOANS TO RELATED PARTIES AND OTHER LIABILITIES

On December 31, 2009, the parent company Raute Corporation had loan receivables from its subsidiaries Raute Canada Ltd. in the amount of CAD 1 115 thousand and from Raute Service LLC EUR 355 thousand. Raute Corporation had EUR 100 thousand in liabilities to the Raute Sickness Fund. Other obligations are described in the figures section of this report.

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 the continuous research and development of plywood and LVL manufacturing technology, in particular, and the supporting automation and instrumentation applications, such as machine vision.

In 2009, the Group's research and development costs, EUR 2.5 million, represented 6.7 percent of net sales (MEUR 4.4/4.4% of net sales). Raute's product development focused on new product solutions with a fast payback time for the customer and with which customers can, without major investments, boost the efficiency of their wood raw material recovery by decreasing the consumption of glue and additives as well as by saving on energy and labor costs.

The Group's investments totaled EUR 1.1 million (MEUR 3.2). The largest single

investment was the EUR 0.5 million modernization of the milling machine at the main production plant in Nastola. Total investments included capitalized development costs of EUR 0.1 million (MEUR 0.7). Other investments consisted of information system and replacement investments.

DEVELOPMENT OF OPERATIONS

During 2009, the organization and operating methods were developed to respond to the new challenges posed by the changed operating environment. Sales and other customer service operations were organized according to customers into teams with a special expertise concerning the particular customer relationship or market area. A customer base management system, developed especially for Raute's needs, was taken into use to support customer services. The system improves the efficiency of the management of customer service related information within the Group. The operative resources of project deliveries and technology services were unified under the same leadership, enabling more flexible use of competence and resources in different load situations.

The North American operations were organized to respond to the present market situation as well as future growth and development possibilities. A decision was made to sell the facilities of the Canadian unit and to transfer during 2010 to new facilities which will better correspond with the chosen operating model. Simultaneously, productivity will be improved and delivery times shortened by modernizing production.

PERSONNEL

The Group's headcount at the end of 2009 was 524 (573). Finnish Group companies accounted for 77 percent (77%) of employees, North American companies for 14 percent (13%), Chinese companies for 6 percent (7%), and other sales and maintenance companies for 3 percent (3%).

Temporary lay-offs of varying duration and other adaptation measures involved the entire personnel of the Group. Converted to full-time employees, the average number of Group personnel was 419 (569).

On March 22, 2006, the Board of Directors of Raute Corporation approved a share-based incentive plan (2006). The reward from the plan was based on the Group's operating profit for 2006–2008 and on the Board of Directors' assessment of the success of the strategy. The incentive plan encompassed the Group's Executive Board (5 members) and 12 other key employees. The rewards were paid partly in shares and partly in cash in the 2009 financial year. The cash portion was intended for the payment of taxes and tax-related costs resulting from the rewards. The shares are subject to a two-year transfer prohibition, which ends on March 28, 2011.

The Group has continued developing the competence of and increasing the personnel's commitment despite the weak profitability. Two percent (2%) of the payroll was invested in personnel training. The results of a personnel survey carried out in December were on the same level as the survey completed two years ago and had even improved in the area of supervisory work, despite the difficult employment situation.

SOCIETY AND THE ENVIRONMENT

The environment is one of the values that guide Raute's operations. Raute has been systematically developing the environmental soundness of its products and services and aims to reduce the environmental impact of its operations. The Group abides by the principles of good corporate citizenship, taking into consideration nature and its protection, as well as the operating methods of the surrounding society, and by respecting local cultures.

Raute's operations mainly affect the environment indirectly when the company's technology is used in the production processes of the wood products industry. Raute's technology enables the wood

products industry to substantially reduce the environmental load caused by its operations through, for example, more efficient use of wood raw materials, additives and energy.

The Group's own operations do not involve considerable environmental risks that might have a direct impact on the Group's business operations or financial position. The Nastola and Jyväskylä plants manage environmental matters in compliance with a certified environmental system. At the Canadian plant, environmental surveys are carried out regularly by an external assessor. The operations and ethical principles of the partner and subcontractor networks are also subjected to systematic inspection.

Raute aims to continuously reduce energy consumption, decrease the volume of waste, and develop the working environment.

SEASONAL FLUCTUATION IN BUSINESS

The Group's net sales and working capital fluctuate every quarter due to different types of project deliveries and their schedules. Business operations do not involve regular seasonal changes.

RISKS AND RISK MANAGEMENT

BUSINESS RISKS

The Group's most significant business risks have been recognized as the fluctuation in demand resulting from economic cycles and delivery and technology risks.

The Group has no ongoing legal proceedings or other disputes in progress that might materially affect the continuity of business operations, nor is the Board of Directors aware of any other legal risks related to the Group's operations that might have such an effect.

Impact of economic fluctuations on business operations

The Group's business is characterized by sensitivity to economic fluctuations due to changes in the investment activity of customer industries. The impact that the cyclical nature of project deliveries has on the Group's performance is mitigated by systematically increasing the share of technology services, by developing the subcontracting network, and by focusing on core competencies in the company's own operations. In the long term, the Group's growth opportunities are increased and the impact of economic fluctuations balanced by developing operations in market areas where the company's market share is still small, and by creating products for new customer groups.

The uncertainty in the development of the global economy and financial markets perpetuates near-future risks, and it is difficult to predict all of their implications. The availability of financing, tightened security terms and conditions and the price of financing make corporate financing more difficult and increase financing costs, which then weakens the short-term market outlook for the Group and affects the Group's counterparty risk.

Delivery and technology risks

The bulk of the Group's business operations consist of different kinds of project deliveries, which always expose the company to risks caused by, for example, each customer's end product, production methods, or tailored solutions related to raw materials. At the quotation and negotiation phase, the company has to take risks relating to the promised performance figures and make estimates of implementation costs. Contract, product liability, implementation, cost and capacity risks are managed using project management procedures that comply with the company's certified quality system.

Raute emphasizes product development and continuously develops new technology in order to offer solutions for customers' expanding needs. The functionality and capacity of new solutions cannot be fully

verified until the solutions can be tested under production conditions in conjunction with the first customer deliveries. Technology risks are reduced by the conditions of delivery contracts and by restricting the number of simultaneous first deliveries.

FINANCING RISKS

The most significant financing risk areas in the Group's international business operations have been recognized as being credit risks and currency risks related to customers and investment counterparties. The maximum default risk relating to customers' solvency is the amount of receivables relating to binding sales contracts that are not covered by bank guarantees, letters of credit or other securities. The Group's liquid assets are mainly held in Finnish and Swedish banks. The Group's currency risks consist of foreign currency denominated purchases and sales as well as balance sheet items (transaction risks) and investments in foreign subsidiaries (translation risks). The Group's main currency is the euro. Other significant currency risks result from the Canadian dollar (CAD) and US dollar (USD). Other currencies which are monitored to ensure the competitiveness and profitability of the Group are the Russian rouble (RUB) and the Chinese yuan (CNY).

The Group is also exposed to liquidity, interest and price risks.

The Group has braced for fluctuations in the working capital tied up in project operations and possible disturbances in the availability of money by taking out a non-current TyEL loan. The Group's loans have fixed interest rates. The Group's interest risks are mainly directed at the return on liquid assets. The liquid assets are mainly held in Finnish and Swedish banks.

ACCIDENT RISKS

The Group's most significant accident risks have been recognized as a fire and a serious machine or information system breakdown at the main Nastola unit, where the production, planning, financial, and ERP systems serving the Group's key

technologies are centrally located. A fire or serious breakdown in machinery may result in considerable property damage or interruption loss. The Group hedges against such risks by assessing its facilities and processes in terms of risk management and by maintaining emergency plans. It regularly reviews its insurance policies as part of overall risk management. The objective is to use insurance policies to sufficiently hedge all risks that are reasonable to handle through insurance due to economical or other reasons.

ORGANIZING RISK MANAGEMENT

The Group has a risk management policy approved by the Board of Directors. The Board of Directors has determined the Group's general attitude to risk and has approved the risk management policy on a general level and handles the tasks of the Audit Committee. In that role, the Board is responsible for internal control and organizing risk management, and for monitoring their efficiency.

The Group's President and CEO controls the implementation of the risk management policy in the entire Group, while the Presidents of the Group companies are responsible for risk management in their respective companies. The members of the Group's Executive Board are responsible for their own areas of responsibility across company boundaries. The Chief Financial Officer is responsible for the coordination of risk management. The President and CEO and the CFO regularly report significant risks to the Board.

There is no separate internal auditing organization in the Raute Group.

CORPORATE GOVERNANCE STATEMENT

Raute Corporation's Board of Directors has handled Raute Corporation's Corporate Governance Statement according to chapter 2, section 6 of the Finnish Securities Markets Act and code 51 of the Finnish Corporate Governance Code for listed companies issued by the Securities Market Association on October 20, 2008. The statement has been drawn up separately

from the financial statements and will be published on March 9, 2010 together with the Annual Report and the consolidated financial statements on the company's website at www.raute.com.

GROUP STRUCTURE

No fundamental changes took place in the Group's legal structure during 2009.

SHAREHOLDERS

Raute Corporation's number of shareholders totaled 1,528 at the beginning of the year and 1,820 at the end of the reporting period. Series K shares are held by 46 private individuals (46). The management held 4.9 percent (4.7%) of company shares and 9.1 percent (9.1%) of the votes. Nominee-registered shares accounted for 2.3 percent (2.4%) of the shares.

No flagging notifications were given to the company in 2009.

AUDITORS

Raute Corporation's Annual General Meeting held on April 2, 2009 elected Ms. Anna-Maija Simola and Mr. Antti Unkuri, Authorized Public Accountants, as auditors, and Ernst & Young Oy, an authorized public accounting company, as deputy auditor.

BOARD OF DIRECTORS AND PRESIDENT AND CEO

The Annual General Meeting elects the Chairman and Vice-Chairman for the Board of Directors, and 3-5 Board members.

In Raute Corporation's Annual General Meeting on April 2, 2009, Mr. Erkki Pehu-Lehtonen was elected Chairman of the Board for Raute Corporation, Ms. Sinikka Mustakallio Vice-Chairman and Mr. Risto Hautamäki, Mr. Ilpo Helander, Mr. Mika Mustakallio and Mr. Panu Mustakallio as Board members.

The Board of Directors appoints the President and CEO and confirms the terms of his or her employment, including fringe benefits.

Mr. Tapani Kiiski, Licentiate in Technology, continued as Raute Corporation's President and CEO. He was appointed as Raute Corporation's President and CEO on March 16, 2004. As agreed in the executive contract, the term of notice is six months, and the severance pay equals six months' salary.

Raute Corporation's Articles of Association do not grant any unusual authorizations to the Board of Directors, or the President and CEO.

Any decisions on changes to the Articles of Association or an increase in share capital are made in compliance with the regulations of the effective Companies Act.

EXECUTIVE BOARD

Mr. Tapani Kiiski continued as Chairman of the Group's Executive Board, and the Executive Board also included Ms. Arja Hakala, CFO; Mr. Petri Strengell, Vice President, Technology and Operations; Mr. Timo Kangas, Vice President, Technology Services; and Mr. Bruce Alexander, Vice President, North American Business Operations, President of Raute's North American companies.

SHARES

The number of Raute Corporation's shares at the end of 2009 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 two euros. Series K and A shares grant equal rights to dividends and company assets.

Series K shares can be converted to series A shares under the terms described in Article 3 of the Articles of Association. If a series K share is transferred to a new owner who does not previously hold

series K shares, the new owner shall report this to the Board of Directors in writing and without delay. The other shareholders of the K series have the right to redeem the share under the terms described 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. During 2009, 454,798 shares were traded (392,693) worth altogether EUR 3,316 thousand (EUR 4,854 thousand). The number of shares traded represents 15 percent (13%) of all listed series A shares. The average price of a series A share was EUR 7.29 (EUR 12.37). The highest rate of the year was EUR 8.90 and the lowest EUR 6.50.

The company's market capitalization at the end of 2009 totaled EUR 29.9 million (MEUR 25.6), with series K shares valued at the closing price of series A shares, EUR 7.47 (EUR 6.40), on December 31, 2009.

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.

Other share-related information is presented in the figures section of this report.

DIVIDEND FOR THE YEAR 2008

On April 2, 2009, Raute Corporation's Annual General Meeting decided to distribute a dividend of EUR 0.70 per share for 2008. The total amount of dividends paid on April 16, 2009 was EUR 2.8 million, series A shares accounting for EUR 2.1 million and series K shares for EUR 0.7 million.

REPURCHASE AND DISPOSAL OF OWN SHARES

During the financial year 2009, Raute Corporation's Board of Directors has exercised the authorization given by the Annual General Meeting on April 2, 2008 to

repurchase and dispose of Raute Corporation's series A shares.

Raute Corporation repurchased a total of 18,900 of the company's series A shares during the period February 19–March 17, 2009 to be used in the remuneration systems of the company's key employees.

On March 27, 2009, the company transferred the acquired shares to the 17 key employees covered by the Group's share-based incentive plan (2006) as the share portion of the remuneration paid for the period 2006–2008.

The company did not possess company shares at the end of the financial period or hold them as security.

Other information related to the repurchase and disposal of company shares is presented in the figures section of this report.

AUTHORIZATION OF REPURCHASE AND DISPOSAL OF OWN SHARES

On April 2, 2009, the Annual General Meeting authorized the Board of Directors to decide on the repurchase of Raute Corporation's series A shares with the company's distributable assets and to decide on a directed issue of a maximum of 400,000 of the company's series A shares. The authorization was not exercised in 2009.

EVENTS AFTER THE REPORTING YEAR

In January, Raute Corporation received a significant order from an established plywood producer for nearly all of the production lines in a plywood mill operating in the Asia-Pacific region. Machine deliveries are scheduled between June and September 2010 and the start-up of the mill will take place by summer 2011. The customer does not wish to release any further information on the project for the time being. The typical value of this type of mill-scale project delivered by Raute has been more than EUR 15 million.

ANNUAL GENERAL MEETING 2010

Raute Corporation's Annual General Meeting will be held in Lahti at Sibelius Hall on Wednesday March 31, 2010 at 6:00 p.m.

PUBLISHING OF THE 2009 ANNUAL REPORT AND FINANCIAL STATEMENTS

Raute Corporation's Annual Report and consolidated financial statements 2009 will be published on March 9, 2010.

THE BOARD OF DIRECTORS' PROPOSAL FOR DIVIDEND DISTRIBUTION AND MEASURES CONCERNING THE RESULT

According to the financial statements distributable assets total EUR 7,427 thousand.

The Board of Directors will propose to Raute Corporation's Annual General Meeting, to be held on March 31, 2010, that no dividend shall be paid for 2009 and that the losses for the financial year shall be transferred to retained earnings.

OTHER PROPOSALS BY THE BOARD TO THE ANNUAL GENERAL MEETING 2010

Issues to be decided by the Annual General Meeting according to the Articles of Association

Raute Corporation's Appointments Committee has announced that it will propose to the Annual General Meeting, which will convene on March 31, 2010, that six be confirmed as the number of Board members and that Mr. Erkki Pehu-Lehtonen (Chairman), Ms. Sinikka Mustakallio (Vice-Chairman), Mr. Risto Hautamäki, Mr. Ilpo Helander, Mr. Mika Mustakallio of the present members be re-elected and that Mr. Pekka Suominen be elected as a new member. The Appointments Committee will additionally propose that the remuneration paid to the Chairman of the Board will be EUR 40,000 and to the other Board members EUR 20,000 for the term of office, as before.

The Board of Directors will propose to the Annual General Meeting that authorized public accounting company PriceWaterhouseCoopers Oy be elected as the auditors, with Mr. Janne Rajalahti, Authorized Public Accountant, as the principal auditor. The Board of Directors will propose that the compensation to the auditor be paid on the basis of reasonable invoicing.

Authorization of repurchase and disposal of own shares

The Board of Directors proposes to the Annual General Meeting that the Meeting continue the Board of Directors' existing authorization to decide on the repurchase and directed issue of a maximum of 400,000 of the company's series A shares until the Annual General Meeting 2011.

Granting of stock options

The Board of Directors proposes to the Annual General Meeting that the Annual General Meeting resolves to issue stock options to the key personnel of Raute Group.

The stock options shall, in deviation from the shareholders' pre-emptive rights, be offered to the key personnel of Raute Group and to a wholly-owned subsidiary of Raute Corporation separately determined by the Board of Directors for further delivery to the key personnel of Raute Group. The weighty financial reason for the company to issue the options is that the stock options are intended to form a part of the incentive and commitment program of the key personnel. The purpose of the stock options is to encourage the selected key employees to work on a long-term basis to increase shareholder value and to commit them to the company.

The maximum total number of stock options shall be 240,000, which entitle to subscribe for or acquire a total maximum of 240,000 of Raute Corporation's series A shares and the share capital of Raute Corporation may, as a result of the share subscriptions made with the stock options, increase with the maximum of EUR 480,000. Each stock option entitles to

subscribe for or acquire one (1) series A share. Of the stock options, the maximum of 80,000 shall be marked with the symbol 2010 A, the maximum of 80,000 shall be marked with the symbol 2010 B and the maximum of 80,000 shall be marked with the symbol 2010 C. The stock options shall be issued free of charge.

The share subscription price for the stock options shall be determined based on the trade volume weighted average quotation of the share of Raute Corporation in continuous trading, rounded off to the nearest cent, on the NASDAQ OMX Helsinki. For stock options 2010 A the subscription price shall be determined during the two month period immediately following the announcement day of the financial statements for the year 2009, for stock options 2010 B during the two month period immediately following the announcement day of the financial statements for the year 2010 and for stock options 2010 C during the two month period immediately following the announcement day of the financial statements for the year 2011.

From the share subscription price shall be deducted the amount of the dividend or distribution of funds from the distributable equity fund decided after the beginning of the period for determination of the subscription price but before share subscription. Out of the share subscription price the amount equaling the nominal value of the share will be entered into the share capital and the exceeding amount into the invested non-restricted equity fund.

The share subscription period will be for stock options 2010 A from March 1, 2013 to March 31, 2016, for stock options 2010 B from March 1, 2014 to March 31, 2017 and for stock options 2010 C from March 1, 2015 to March 31, 2018.

The terms and conditions of the proposed stock option scheme will be published on the company's website at www.raute.com

in their entity on the date of notice of the Annual General Meeting.

OUTLOOK FOR 2010

Due to the uncertainty related to the development of the global economy and financial markets, the market situation of Raute's customer industries is expected to continue to be uncertain. Demand for investments and services in the wood products industry is not expected to improve significantly during 2010. Individual mill-scale projects, through which customers are already making preparations for the period following the present recession, are, however, in the planning phase in many market areas; however, they involve uncertainties related to implementation and scheduling. In addition, restructuring resulting from the difficult situation in the customer industries may activate new investment projects.

Thanks to its strong financial position, market position and the implemented development efforts, Raute's ability to survive the economic slowdown and to respond to growing demand as soon as the markets recover will be excellent.

2010 will be a challenging year due to the uncertainty in the market situation, despite the implemented adaptations measures. As a result of the two considerable new orders received in December 2009 and January 2010, the net sales for 2010 are expected to increase and the operating profit is expected to improve from 2009. Achieving a positive result will depend on the volume of order intake during the first half of the year.

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

The figures for the financial year 2008 and 2009 presented in the figures section of Financial statement bulletin have been audited.

The figures presented in the Interim financial report have not been audited.

CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

The figures for the financial year 2008 and 2009 presented in the figures section of Financial statement bulletin have been audited. The figures presented in the Interim financial report have not been audited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1 000)	Note	1.10.-31.12. 2009	1.10.-31.12. 2008	1.1.-31.12. 2009	1.1.-31.12. 2008
NET SALES	3, 4, 5	7 650	18 619	36 638	98 466
Other operating income		23	14	153	95
Increase (+) or decrease (-) in inventories of finished goods and work in progress		300	-108	795	404
Materials and services		3 267	8 218	15 695	50 906
Expenses from employee benefits	10	5 753	7 062	22 047	28 592
Depreciation and amortization		629	692	2 670	2 751
Other operating expenses		1 649	2 347	6 869	10 375
Total operating expenses		11 298	18 318	47 281	92 624
OPERATING PROFIT		-3 325	206	-9 695	6 341
% of net sales		-43	1	-26	6
Financial income		70	550	356	1 268
Financial expenses		-209	-448	-551	-729
RESULT BEFORE TAX		-3 464	309	-9 890	6 880
% of net sales		-45	2	-27	7
Income taxes	7	574	-131	1 749	-2 157
TOTAL RESULT FOR THE PERIOD		-2 889	177	-8 141	4 723
% of net sales		-38	1	-22	5
Other comprehensive income items					
Exchange differences on translating foreign operations		36	-316	-228	247
Other comprehensive income items for the period, net of tax		36	-316	-228	247
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD		-2 853	-139	-8 369	4 970
Result for the period attributable to					
Equity holders of the Parent company		-2 889	177	-8 141	4 723
Total comprehensive result for the period attributable to					
Equity holders of the Parent company		-2 853	-139	-8 369	4 970
Earnings per share for result attributable to the Equity holders of the Parent company, EUR					
Undiluted earnings per share		-0,72	0,04	-2,03	1,18
Diluted earnings per share		-0,72	0,04	-2,03	1,18
Shares, 1 000 pcs					
Adjusted average number of shares		4 005	4 005	4 003	4 005
Adjusted average number of shares diluted		4 005	4 005	4 003	4 005

CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

CONSOLIDATED BALANCE SHEET (EUR 1 000)	Note	31.12. 2009	31.12. 2008
ASSETS			
Non-current assets			
Intangible assets	9	1 831	2 482
Tangible assets	9	10 267	11 175
Other financial assets		486	499
Receivables		1 000	0
Deferred tax assets		1 741	334
Total		15 325	14 491
Current assets			
Inventories		4 330	4 310
Accounts receivables and other receivables	5	9 832	20 270
Cash and cash equivalents		27 900	21 109
Total		42 062	45 689
TOTAL ASSETS	2	57 387	60 180
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to Equity holders of the Parent company			
Share capital		8 010	8 010
Share premium		6 498	6 498
Other funds	10	294	287
Exchange differences		55	283
Retained earnings		16 337	14 520
Result for the period		-8 141	4 723
Share of shareholders' equity that belongs to the owners of the Parent company		23 053	34 321
Total shareholders' equity		23 053	34 321
Non-current liabilities			
Provisions		182	289
Deferred tax liabilities		271	599
Long-term interest-bearing liabilities	12	14 318	8 232
Total		14 771	9 120
Current liabilities			
Provisions		1 325	2 251
Pension obligations		143	173
Short-term interest-bearing liabilities	12	4 215	2 225
Advance payments received	5	7 222	3 475
Current tax liabilities		0	79
Trade and other payables		6 658	8 536
Total		19 563	16 739
Total liabilities		34 334	25 859
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		57 387	60 180

CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

CONSOLIDATED CASH FLOW STATEMENT (EUR 1 000)	1.1.–31.12. 2009	1.1.–31.12. 2008
CASH FLOW FROM OPERATING ACTIVITIES		
Proceeds from sales	50 988	100 611
Proceeds from other operating income	85	65
Payments of operating expenses	-46 020	-90 988
Cash flow before financial items and taxes	5 053	9 688
Interests and other operating financial expenses paid	-486	-224
Interests and other income received	423	828
Dividends received	79	133
Income taxes paid	550	-3 522
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	5 619	6 903
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure in tangible and intangible assets	-1 034	-3 201
Purchases of available-for-sale as investments	0	-50
Proceeds from sale of tangible and intangible assets	79	171
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	-955	-3 080
CASH FLOW FROM FINANCING ACTIVITIES		
Increase of long-term and short-term receivables	-3 000	0
Repayments of short-term liabilities	-125	-63
Increase of long-term liabilities	10 200	10 069
Repayment of long-term liabilities	-2 000	0
Own shares	-138	0
Dividends paid	-2 803	-4 005
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	2 134	6 001
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	6 798	9 824
increase (+)/decrease (-)		
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD*	21 109	11 284
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD*	-7	0
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD*	27 900	21 109
CASH AND CASH EQUIVALENTS IN THE BALANCE SHEET AT THE END OF THE PERIOD		
Cash and cash equivalents	27 900	21 109
TOTAL	27 900	21 109

*Cash and cash equivalents comprise trading assets as well as cash and bank receivables, which will be due within the following three months' period.

CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					
(EUR 1 000)	Share capital	Share premium	Other funds	Exchange rate diff.	Retained earnings
EQUITY Jan. 1, 2009	8 010	6 498	287	283	19 242
Repurchase of own shares					-138
Disposal of own shares, tax effect					36
Equity-settled share-based transactions			7		
Dividend paid					-2 803
Total comprehensive result for the period				-228	-8 141
EQUITY Dec. 31, 2009	8 010	6 498	294	55	8 196

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (continue)			
(EUR 1 000)	To the owners of the Parent company	Minority interest	EQUITY TOTAL
EQUITY Jan. 1, 2009	34 321	0	34 321
Repurchase of own shares	-138		-138
Disposal of own shares, tax effect	36		36
Equity-settled share-based transactions	7		7
Dividend paid	-2 803		-2 803
Total comprehensive result for the period	-8 369		-8 369
EQUITY Dec. 31, 2009	23 053	0	23 053

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					
(EUR 1 000)	Share capital	Share premium	Other funds	Exchange rate diff.	Retained earnings
EQUITY Jan. 1, 2008	8 010	6 498	125	36	18 524
Equity-settled share-based transactions			139		
Dividend paid					-4 005
Total comprehensive result for the period			22	247	4 723
EQUITY Dec. 31, 2008	8 010	6 498	287	283	19 242

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (continue)			
(EUR 1 000)	To the owners of the Parent company	Minority interest	EQUITY TOTAL
EQUITY Jan. 1, 2008	33 194	0	33 194
Equity-settled share-based transactions	139		139
Dividend paid	-4 005		-4 005
Total comprehensive result for the period	4 992		4 992
EQUITY Dec. 31, 2008	34 321	0	34 321

CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Raute Group is a globally operating technology corporation which manufactures complete mills, production lines and single machines for the veneer, plywood and LVL industries. Raute's technology offering covers the customers' entire production process, ranging from raw material processing to the finishing and packaging of end products. Additionally, Raute's total service concept includes technology services, such as maintenance, spare parts services, equipment modernization, consulting, training and sales of reconditioned machinery. The Group has production units in Finland, Canada and China. The company's sales network has a global reach.

The Group's Parent company, Raute Corporation, is a Finnish public limited liability company 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 or at the head office of the Parent company, Rautetie 2, FI-15550 Nastola, Finland.

Raute Corporation's Board of Directors has on February 11, 2010 reviewed the Group's Financial statements for January 1 – December 31, 2009, and decided to publish Raute Corporation's Financial statement bulletin for January 1 – December 31, 2009 in compliance with this release.

2. Accounting principles

Raute Corporation's Financial statement bulletin January 1 – December 31, 2009 has been prepared in accordance with standard IAS 34 Interim Financial Reporting. Raute Group's Financial statement bulletin does not contain full notes and other information presented in the financial statements. Financial statements with full notes will be presented in Annual report 2009, which will be published on March 9, 2010.

Raute Corporation's consolidated financial statements for January 1 – December 31, 2009 have been prepared in accordance with international financial statement standards (International Financial Reporting Standards, IFRS). Preparations have complied with the IAS and IFRS standards, as well as SIC and IFRIC interpretations, effective on December 31, 2009. IFRS refers to the standards and their interpretations that have been approved for application within the EU in the Finnish Accounting Act and regulations issued under it in accordance with the procedures laid down in EU regulation No 1606/2002. The notes to the consolidated financial statements also comply with Finnish accounting legislation.

The Group has applied the following new and amended standards and interpretations which have taken effect on January 1, 2009 or later:

- IAS 1 Presentation of Financial Statements: Amendment to the standard. According to the amended standard, non-owner changes in equity are not presented in detail in the statement of changes in equity. All non-owner changes in equity are presented in the items of a statement of comprehensive income. Following the amendment, the Group can choose to present a single statement (statement of comprehensive income) or two separate statements (income statement and statement of comprehensive income). Raute Corporation has chosen to present a single statement of result in its consolidated financial statements.

- IFRS 7 Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments, amendment to standard. Following the amendments, a three-level hierarchy is adopted in presenting fair values of financial instruments and additional notes that make it easier to evaluate the relative reliability of fair values. In addition, the amendments clarify and broaden the previous requirements concerning the presentation of information related to liquidity risk. The amendments have resulted in an increased number of notes concerning the above-mentioned issues.

- IFRS 8 Operating Segments. According to the standard, the segment information presented should be based on internal reports submitted to the management and the calculation principles followed in the reporting. The accounting principles applied to the segment reporting to the Group's management are consistent with the external accounting. The assessment of segment performance and decisions on the allocation of resources to the segment are based on its operating profit. The introduction of IFRS 8 did not have any significant impact on the presentation of information concerning the segments, as the segment information disclosed by the Group previously was already based on the Group's internal reporting structure.

The following new standards, standard amendments, and interpretations are in effect for the financial year beginning January 1, 2009, but they did not significantly affect the result or the balance of the Group or the financial statement presentation:

- IAS 23 Borrowing Costs, amendment
- IAS 27 Consolidated Financial Statements and Separate Financial Statements, amendment to standard
- IFRS 2 Share-based Payment
- IFRS 3 Business Combinations, amendment to standard
- IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial instruments: Recognition and measurement
- IFRIC 12 Service Concession Arrangements
- IFRIC 13 Customer Loyalty programmes
- IFRIC 15 Agreement for the Construction of Real Estate
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation.

CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

Figures in parentheses refer to the corresponding figures in the comparison period. All the monetary figures presented in this financial statement bulletin are in thousands 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.

The preparation of financial statements in conformity with IFRS requires management to make certain estimates and to exercise its judgment in applying the Group's accounting policies. Because the forward-looking 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.

	31.12.		31.12.
Wood products technology	2009		2008
Net sales	36 638		98 466
Operating profit	-9 695		6 341
Assets	57 387		60 180
Liabilities	34 334		25 859
Capital expenditure	1 095		3 242

Assets of the wood products technology segment by geographical location	31.12.		31.12.	
	2009	%	2008	%
Finland	53 448	94	55 616	92
North America	1 950	3	2 730	5
Russia	948	2	782	1
China	858	1	860	1
South America	88	0	36	0
Others	95	0	156	0
TOTAL	57 387	100	60 180	100

Capital expenditure of the wood products technology segment by geographical location	31.12.		31.12.	
	2009	%	2008	%
Finland	1 071	98	2 775	86
North America	18	2	75	2
Russia	2	0	2	0
China	3	0	369	11
South America	0	0	19	1
Others	1	0	2	0
TOTAL	1 095	100	3 242	100

4. Net sales by market area	1.1.–31.12.		1.1.–31.12.	
	2009	%	2008	%
Russia	11 237	31	34 359	35
Rest of Europe	10 415	28	31 909	32
Finland	6 172	17	15 800	16
South America	3 853	11	4 311	4
North America	2 549	7	9 832	10
Asia	1 287	4	1 241	1
Oceania	954	3	701	1
Others	171	1	313	1
TOTAL	36 638	100	98 466	100

CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

5. Long-term projects	31.12. 2009	31.12. 2008
Net sales		
Net sales by percentage of completion	26 990	80 749
Other net sales	9 648	17 717
TOTAL	36 638	98 466
Project revenues entered as income from currently undelivered long-term projects recognized by percentage of completion	27 184	85 487
Amount of long-term project revenues not yet entered as income	20 976	22 817
Specification of combined asset and liability items:		
Accrued income corresponding to revenues by percentage of completion	27 306	85 328
Advance payments received from project customers	-24 060	-73 509
Project receivables included in current assets in the Balance sheet	3 246	11 819
Advance payments received in the Balance Sheet	7 222	3 475
6. Number of personnel, persons	31.12. 2009	31.12. 2008
Effective, on average	419	569
In books, on average	542	585
In books, at the end of period	524	573
- of which personnel working abroad	120	136
7. Income taxes		
<p>The taxes in the income statement include taxes corresponding to the Group companies' taxable profit for the financial period as well as tax adjustments for the previous years and the change in deferred taxes. Current tax based on the taxable income is calculated on taxable income using the tax rate in force in each country. Deferred tax receivables have been recognized to the extent that it is probable that taxable profits will be available against which temporary differences can be utilized.</p>		
8. Research and development costs	31.12. 2009	31.12. 2008
Research and development costs for the period	2 470	4 375
Amortization of previously capitalized development costs	599	549
Development costs recognized as an asset in the Balance sheet	-125	-667
Research and development costs entered as expenses for the period	2 943	4 257

CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

	31.12.	31.12.
	2009	2008
9. Changes in Intangible assets and in Property, plant and equipment		
Intangible assets		
Carrying amount at the beginning of the period	11 575	10 503
Exchange rate differences	-19	22
Additions	429	1 018
Disposals	-495	0
Other reclassifications between items	-28	33
Carrying amount at the end of the period	11 462	11 575
Accumulated depreciation and amortization at the beginning of the period	-9 094	-7 959
Exchange rate differences	34	-13
Accumulated depreciations and amortizations on disposals	495	0
Depreciation and amortization for the financial period	-1 065	-1 122
Accumulated depreciation and amortization at the end of the period	-9 631	-9 094
Book value of intangible assets, at the beginning of the period	2 482	2 546
Book value of intangible assets, at the end of the period	1 831	2 482
Property, plant and equipment		
Carrying amount at the beginning of the period	40 480	40 008
Exchange rate differences	901	-1 453
Additions	666	2 170
Disposals	-25	-90
Other reclassifications between items	0	-157
Carrying amount at the end of the period	42 022	40 480
Accumulated depreciation and amortization at the beginning of the period	-29 304	-29 047
Exchange rate differences	-834	1 375
Depreciation for the financial period	-1 617	-1 632
Accumulated depreciation and amortization at the end of the period	-31 755	-29 304
Book value of property, plant and equipment, at the beginning of the period	11 175	10 960
Book value of property, plant and equipment, at the end of the period	10 267	11 175
10. Share-based payments		
During the reporting period, Raute Corporation conveyed on March 27, 2009 a total of 18,900 Raute's series A shares held by the Company gratuitously to 17 key persons of the Group's share-based incentive plan (2006) as reward payment. The effect of the share-based and cash payment to the operating profit of Raute Group was EUR 15 thousand (EUR 49 thousand).		
11. Related party transactions		
Raute Group's related parties consist of Board members, President and CEO, Presidents of the subsidiaries and Raute Corporation's Sickness Fund. During the reporting period 2009 Raute Corporation has written off loan receivables from its subsidiary Raute Canada Ltd. in the amount of EUR 3 761 thousand (EUR 968 thousand).		
12. Interest-bearing liabilities		
	31.12.	31.12.
	2009	2008
Long-term interest-bearing liabilities recognized at amortized cost	14 318	8 232
Short-term interest-bearing liabilities	4 215	2 225
TOTAL	18 533	10 457

CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

13. Other leases and operating lease liabilities	31.12.	31.12.
Group as lessee	2009	2008
Minimum rents paid on the basis of other non-cancellable leases:		
- Within one year	551	273
- After the period of more than one and less than five years	1 013	464
- More than five years	782	0
TOTAL	2 346	737
<p>The Group has rented in a part of office and production premises. The rental agreements are made for the time being or for the fixed-term. The agreements made for the fixed-term include an option to extend the rental period after the date of initial expiration.</p>		
<p>Minimum direct leasing rents paid on the basis of non-cancellable direct leasing contracts:</p>		
- Within one year	25	12
- After the period of more than one and less than five years	67	2
TOTAL	92	14

CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

14. Pledged assets and contingent liabilities

Raute Group has non-current credit regulation agreements worth EUR 10 million (MEUR 17), of which EUR 8 million (MEUR 14) were unused on December 31, 2009.

Raute Corporation has a EUR 10 million (MEUR 10) domestic commercial paper program, which is arranged by Nordea Bank Finland Plc. Within the limits of the program, the company can issue commercial papers maturing in less than one year.

	31.12.	31.12.
	2009	2008
Pledged assets		
Debts and other contingent liabilities have been secured by mortgages and contingencies		
Bank credit limits,	10 000	17 000
of which used	2 400	3 000
- Business mortgages (1)	5 300	10 000
Pension loans (TyEL)	18 000	10 000
- Bank guarantees as collateral given for the TyEL loan	12 400	3 000
- Business mortgages (1)	4 700	0
- Deposits of money (2)	3 000	0
- Credit insurance agreements as collateral for the TyEL loan	5 600	7 000
- Right of recourse of the party providing collateral	5 600	7 000
Financial liability/Raute's Sickness Fund	100	100
- Real estate mortgages (2)	134	134
Commercial bank guarantees on behalf of the Parent company and subsidiaries	7 125	8 928
- Counter guarantees (3)	7 125	8 928
Mortgage agreements on behalf of subsidiaries		
- Counter guarantees	200	0
Mortgages and contingencies total		
- Secured by mortgages total (1)	10 134	10 134
- Secured by deposits of money (2)	3 000	0
- Counter guarantees (3)	7 325	8 928
Other own liabilities		
Leasing and rent liabilities		
- For the current accounting period	576	285
- For subsequent accounting periods	1 862	466

Loans and guarantees on behalf of the related party

No loans are granted to the company's management. On December 31, 2009, the Parent company Raute Corporation had loan receivables from its subsidiary Raute Canada Ltd. in the amount of EUR 737 thousand (EUR 3 186 thousand) and from Raute Service LLC EUR 355 thousand (EUR 0 thousand). Raute Corporation had EUR 100 thousand (EUR 110 thousand) liability to Raute Corporation's Sickness Fund.

Raute Corporation has given a counter guarantee of EUR 200 thousand for the loan of the foreign subsidiary.

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

CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

15. Currency derivatives	31.12. 2009	31.12. 2008
Currency derivatives are used for hedging purposes.		
Nominal values of forward contracts in foreign currency		
Economic hedging		
- Related to financing	661	3 186
- Related to hedging of net sales	1 615	532
Fair values of forward contracts in foreign currency		
Economic hedging		
- Related to financing	-35	170
- Related to the hedging of net sales	98	-8

16. Share capital

The company repurchased a total of 18,900 of the company's own shares under the authorization given by the Annual General Meeting on April 2, 2008. The acquisition price of the shares was the stock exchange price at the time of the acquisition. The acquisition of the shares did not have any significant impact on the holdings and voting rights in the company.

The Parent company has repurchased own shares during the period as follows:

Period	From Feb. 19 to Feb. 28, 2009	From March 1 to March 17, 2009
Amount, pieces	8 800	10 100
Nominal value, euros	2,00	2,00
Consideration paid, euros (average)	7,00	7,12
Consideration paid, euros (range)	6,90 - 7,15	7,00 - 7,20

All company shares held by the company were transferred on March 27, 2009 to the employees covered by the share-based remuneration system. The number of shares at the end of reporting period totaled 4,004,758 pieces. Adjusted average number of shares used in calculation of earnings per share, was 4,003,183 during the reporting period. The company did not possess own shares at December 31, 2009.

17. Dividend

The Board of Directors will propose to Raute Corporation's Annual General Meeting, to be held on March 31, 2010, that no dividend shall be paid for 2009 and that the losses for the financial year shall be transferred to retained earnings.

CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

GROUP KEY RATIOS	1.1.–31.12. 2009	1.1.–31.12. 2008
Return on investment (ROI), %	-21,6	19,4
Return on equity (ROE), %	-28,4	14,0
Gearing, %	-40,6	-31,0
Equity ratio, %	46,0	60,5
Order book, MEUR	22	24
Order intake, MEUR	35	67
Exported portion of net sales, %	83,2	84,0
Change in net sales, %	-62,8	-11,1
Gross capital expenditure, MEUR	1,1	3,2
% of net sales	3,0	3,3
Research and development costs, MEUR	2,5	4,4
% of net sales	6,7	4,4
Earnings per share (EPS), EUR		
- undiluted	-2,03	1,18
- diluted	-2,03	1,18
Equity to share, EUR	5,76	8,57
Dividend per share series K shares, EUR	0,00*	0,70
Dividend per share series A shares, EUR	0,00*	0,70
Dividend per profit, %	0,0*	59,4
Effective dividend return, %	0,0*	10,9
Share price at the end of the period, EUR	7,47	6,40
Number of shares		
- weighted average, 1 000 pcs	4 003	4 005
- diluted, 1 000 pcs	4 003	4 005

* The Board of Directors' proposal to the Annual General Meeting.

CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

Calculation of key ratios

Return on investment (ROI), % =	$\frac{\text{Profit before tax + financial expenses}}{\text{Shareholders' equity + interest-bearing financial liabilities (average of the financial year)}} \times 100$
Return on equity (ROE), % =	$\frac{\text{Profit/loss for the financial year}}{\text{Shareholders' equity (average of the financial year)}} \times 100$
Interest-bearing net liabilities =	Interest-bearing liabilities ./ (cash and cash equivalents + financial assets at fair value through profit or loss)
Equity ratio, % =	$\frac{\text{Shareholders' equity}}{\text{Balance Sheet total ./ advances received}} \times 100$
Earnings per share, undiluted, euros =	$\frac{\text{Profit for the financial year}}{\text{Equity issue-adjusted average number of shares during the financial year}}$
Earnings per share, diluted, euros =	$\frac{\text{Diluted profit for the financial year}}{\text{Diluted equity issue-adjusted average number of shares}}$
Equity to share, euros =	$\frac{\text{Share of shareholders' equity belonging to the owners of the Parent company}}{\text{Undiluted number of shares at the end of the financial year}}$
Dividend per share, euros =	$\frac{\text{Distributed dividend for the financial year}}{\text{Undiluted number of shares at the end of the financial year}}$
Dividend per profit, % =	$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$
Effective dividend return, % =	$\frac{\text{Dividend per share}}{\text{Closing share price at the end of the financial year}} \times 100$
Price/earnings ratio (P/E ratio) =	$\frac{\text{Closing share price at the end of the financial year}}{\text{Earnings per share}}$
Trend in share turnover, in volume and percentage figures (series A shares) =	The trend in turnover of shares is given as the number of shares traded during the financial year and as the percentage of the average undiluted number of traded shares relative to issued share stock during the financial year.
Market value of capital stock =	Undiluted number of shares at the end of the financial year (series A + series K shares) x closing price of the share on the last day of the financial year
Gearing, % =	$\frac{\text{Interest-bearing net financial liabilities}}{\text{Shareholders' equity}} \times 100$

CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

DEVELOPMENT OF QUARTERLY RESULTS (EUR 1 000)	Q 4 2009	Q 3 2009	Q 2 2009	Q 1 2009	Rolling 1.1.2009 – 31.12.2009	Rolling 1.1.2008 – 31.12.2008
NET SALES	7 650	8 057	9 565	11 366	36 638	98 466
Other operating income	23	-10	108	32	153	95
Increase (+) or decrease (-) in inventories of finished goods and work in progress	300	107	135	252	795	404
Materials and services	3 267	3 444	3 813	5 171	15 695	50 906
Expenses from employee benefits	5 753	4 776	5 386	6 132	22 047	28 592
Depreciation and amortization	629	701	665	674	2 670	2 751
Other operating expenses	1 649	1 508	1 862	1 851	6 869	10 375
Total operating expenses	11 298	10 429	11 726	13 828	47 281	92 624
OPERATING PROFIT	-3 325	-2 274	-1 918	-2 179	-9 695	6 341
% of net sales	-43	-28	-20	-19	-26	6
Financial income	70	46	-9	250	356	1 268
Financial expenses	-209	-101	-38	-204	-551	-729
RESULT BEFORE TAX	-3 464	-2 330	-1 965	-2 132	-9 890	6 880
% of net sales	-45	-29	-21	-19	-27	7
Income taxes	574	514	424	236	1 749	-2 157
TOTAL RESULT FOR THE PERIOD	-2 889	-1 816	-1 540	-1 895	-8 141	4 723
% of net sales	-38	-23	-16	-17	-22	5
Attributable to						
Equity holders of the Parent company	-2 889	-1 816	-1 540	-1 895	-8 141	4 723
Earnings per share, EUR						
Undiluted earnings per share	-0,72	-0,45	-0,38	-0,47		
Diluted earnings per share	-0,72	-0,45	-0,38	-0,47		
Shares, 1 000 pcs						
Adjusted average number of shares	4 005	4 003	4 002	3 998		
Adjusted average number of shares, diluted	4 005	4 003	4 002	3 998		

CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

LARGEST SHAREHOLDERS AT DECEMBER 31, 2009	Number of series K shares (20 votes per share)	Number of series A shares (1 vote per share)	Total number of shares
1. Sundholm Göran		525 000	525 000
2. Suominen Jussi Matias	48 000	74 759	122 759
3. Mustakallio Kari Pauli	60 480	60 009	120 489
4. Suominen Pekka Matias	48 000	64 159	112 159
5. Suominen Tiina Sini-Maria	48 000	62 316	110 316
6. Siivonen Osku Pekka	50 640	53 539	104 179
7. Hietala Pekka Tapani		96 900	96 900
8. Kirmo Kaisa Marketta	50 280	43 201	93 481
9. Lisboa De Castro Palacios Hietala M		85 000	85 000
10. Keskiäho Kaija Leena	33 600	51 116	84 716
11. Särkijärvi Riitta	60 480	22 009	82 489
12. Mustakallio Mika	39 750	42 670	82 420
13. Mustakallio Ulla Sinikka	47 240	30 862	78 102
14. Mustakallio Risto	42 240	35 862	78 102
15. Sr Arvo Finland Value		70 000	70 000
16. Mustakallio Marja Helena	43 240	20 162	63 402
17. Kirmo Lasse	30 000	26 200	56 200
18. Särkijärvi-Martinez Anu Riitta	12 000	43 256	55 256
19. Särkijärvi Timo	12 000	43 256	55 256
20. Suominen Jukka Matias	24 960	27 964	52 924
TOTAL	650 910	1 478 240	2 129 150
Share of total amount of shares, %	65,7	49,1	53,2
Share of total voting rights, %	65,7	49,1	63,5
Administrative registered		90 564	90 564
Other shareholders	340 251	1 444 793	1 785 044
TOTAL	991 161	3 013 597	4 004 758
MANAGEMENT'S SHAREHOLDING	98 990	96 223	195 213
Share of total amount of shares, %	10,0	3,2	4,9
Share of total voting rights, %	10,0	3,2	9,1

CONSOLIDATED FINANCIAL STATEMENTS JANUARY 1 – DECEMBER 31, 2009

SHARE INFORMATION	31.12. 2009	31.12. 2008
Number of shares		
- Series K shares, ordinary shares (20 votes/share)	991 161	991 161
- Series A shares (1 vote/share)	3 013 597	3 013 597
Total	4 004 758	4 004 758
Development in share price (series A shares)		
Trading of shares, pcs	454 798	392 693
Trading of shares, MEUR	3,3	4,9
Share price of series A shares		
At the end of the reporting period, EUR	7,47	6,40
Highest price during the reporting period, EUR	8,90	15,20
Lowest price during the reporting period, EUR	6,50	6,24
Average price during the reporting period, EUR	7,29	12,37
Market value of capital stock		
- Series K shares, MEUR*	7,4	6,3
- Series A shares, MEUR	22,5	19,3
Total, MEUR	29,9	25,6

*Series K shares valued at the value of series A shares at the end of reporting period.

RAUTE CORPORATION
 Board of Directors

PRESS CONFERENCE ON FEBRUARY 11, 2010 AT 2 P.M.

A press conference will be organized for analysts and the media on February 11, 2010 at 2 p.m. at Scandic Simonkenttä Hotel, Roba cabinet, Simonkatu 9, Helsinki. The financial statements will be presented by Mr. Tapani Kiiski, President and CEO, and Mrs. Arja Hakala, CFO.

FINANCIAL RELEASES IN 2010:

Raute's interim reports will be published as follows:

- January-March on Thursday April 29, 2010
- January-June on Tuesday August 3, 2010
- January-September on Thursday October 28, 2010

Raute Corporation's consolidated financial statements and Annual Report 2009 will be published on March 9, 2010.

Raute Corporation's Annual General Meeting will be held in Lahti, at Sibelius Hall on Wednesday, March 31, 2010 at 6:00 p.m.

FURTHER INFORMATION:

Mr. Tapani Kiiski, President and CEO, Raute Corporation, tel. +358 3 829 3560, mobile +358 400 814 148
 Ms. Arja Hakala, CFO, Raute Corporation, tel. +358 3 829 3293, mobile +358 400 710 387

RAUTE IN BRIEF:

Raute is a technology company serving the wood products industry worldwide. Its most important customers are the plywood and LVL industries. Raute is one of the world's leading suppliers of mill-scale projects to these customer industries. The total service concept also includes technology services, with which Raute supports its customers throughout the entire life cycle of their investments. Raute's head office is located in Nastola, Finland. Its other production plants are in the Vancouver area of Canada, in the Shanghai area of China, and in Jyväskylä and Kajaani, Finland. Raute's net sales declined significantly due to the difficult market situation in 2009 and equaled EUR 36.6 million. The number of personnel at the end of 2009 was 524. More information on the company can be found at: www.raute.com.

DISTRIBUTION:

NASDAQ OMX Helsinki Ltd, main media, www.raute.com