



Interim report January 1 - June 30, 2010

August 3, 2010

Tapani Kiiski, President and CEO



Market situation still uncertain

Operating environment:

- Weak market situation of construction and transportation industries continued due to the economic recession
- Demand for plywood and LVL products remained generally at a low level, but it has livened up compared to the comparison period
- Production volumes of plywood and LVL were adapted to correspond with the low demand.
 - Production was still shut down at the least profitable mills

Raute:

- Order intake was at a low level in the second quarter
 - Uncertainty persists in customers' investment decisions and their timing
 - Demand focused on smallish investments
- Investment decisions for mill-scale projects were postponed
- Demand for technology services has livened up compared to the comparison period

1-6/2010 in brief

MEUR	1-6 2010	1-6 2009
Net sales	30.0	20.9
Operating profit	-1.3	-4.1
Order intake:		
• project deliveries	26	3
• technology services	8	8
Order book	28	14

MEUR	Q2 2010	Q2 2009
Net sales	19.5	9.6
Operating profit	0.1	-1.9
Order intake:		
• project deliveries	4	1
• technology services	5	6

- Order intake was at a low level in the second quarter
 - Customers' investment decisions were postponed
- Order book decreased compared to the beginning of the year
- Net sales almost doubled compared to the previous quarters
- Operating profit was slightly positive due to growth in net sales and reorganization of operations
- Adjustment measures concerning the personnel were continued
- Production operations of the Jyväskylä plant were moved to Nastola
- The Canadian unit transferred to rental facilities that better cater to the needs of the current operational model

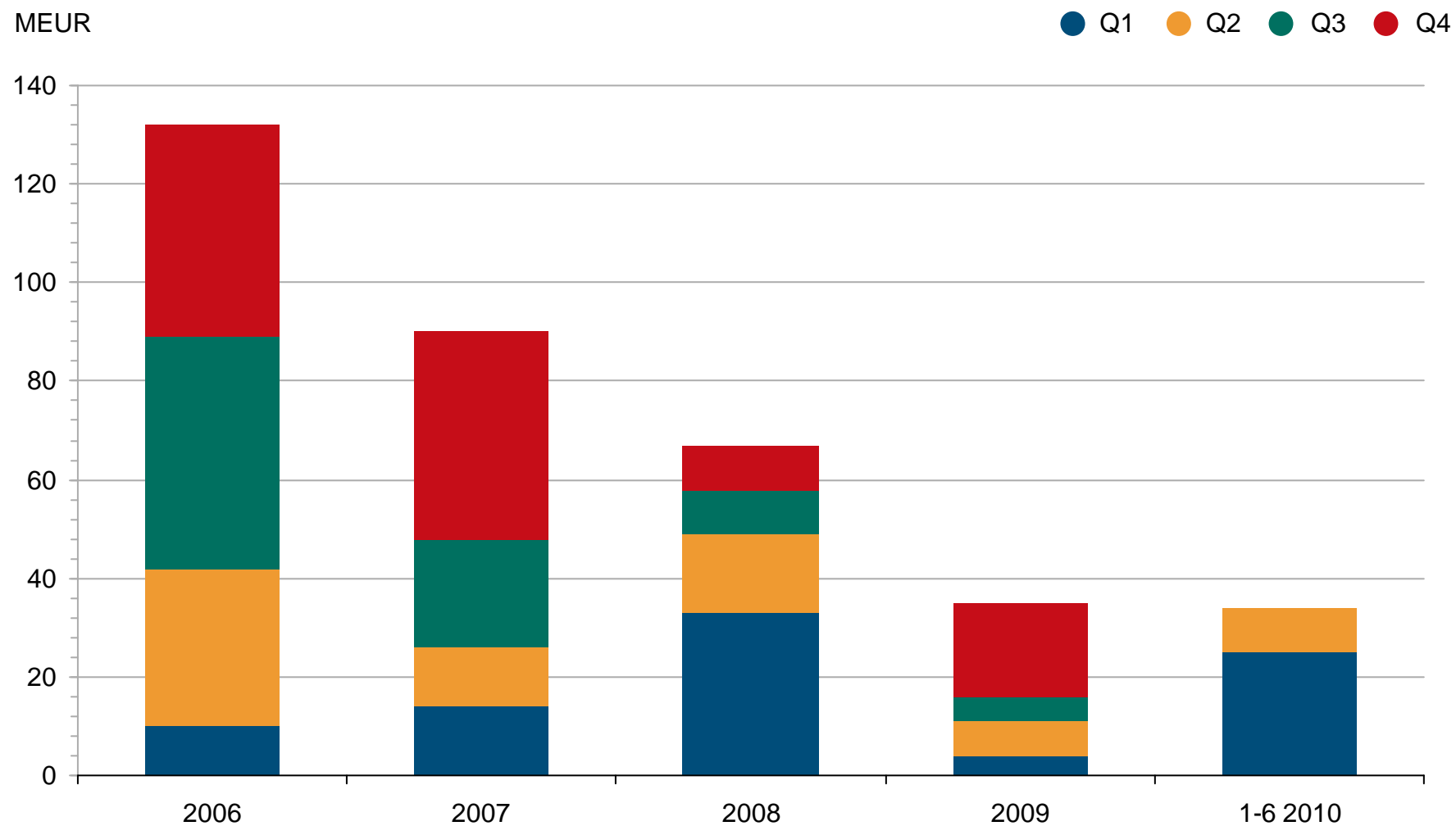
Income statement and key figures

MEUR	1-6 2010	1-6 2009	2009
Net sales	30.0	20.9	36.6
Operating profit	-1.3	-4.1	-9.7
Financial income and expenses	0.0	0.0	-0.2
Profit (loss) before taxes	-1.3	-4.1	-9.9
Income tax	0.3	0.7	1.7
Profit (loss) for the period	-1.1	-3.4	-8.1
Earnings per share, EUR	-0.27	-0.86	-2.03
Operating cash flow	6.9	-0.5	5.6
Return on investment, % (ROI)	-3.6	-18.8	-21.6
Gearing, %	-74.6	-25.1	-40.6
Equity ratio, %	44.6	59.1	46.0
Personnel (in books)	522	539	524

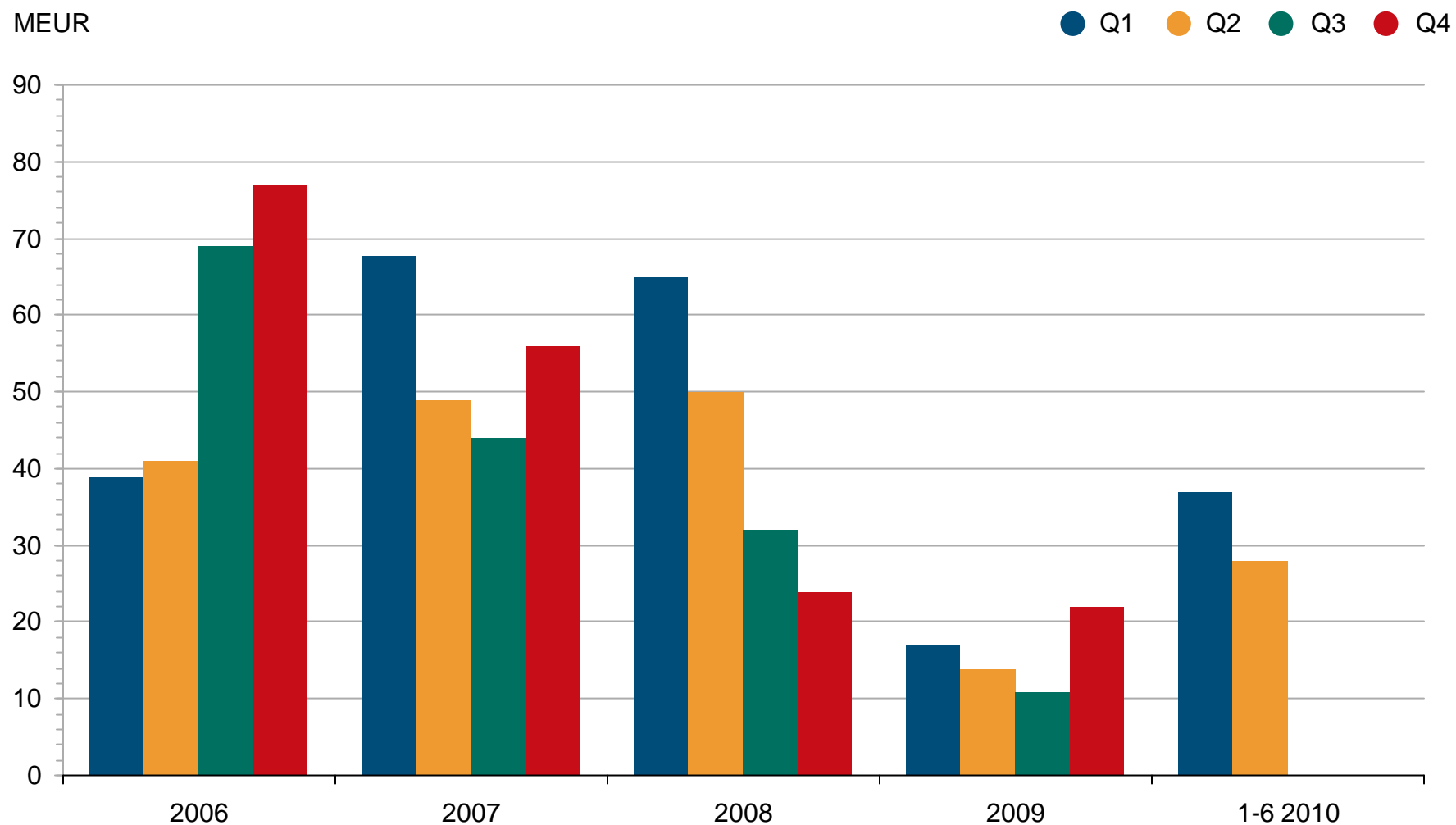
Balance sheet

MEUR	30.6.2010	30.6.2009	31.12.2009
Intangible	1.6	2.1	1.8
Tangible	9.3	10.5	10.3
Other non-current assets	2.5	0.6	3.2
Inventories	4.9	4.,2	4.3
Receivables	11.7	16.4	9.8
Cash	32.8	16.3	27.9
Non-current assets classified as held for sale	1.0	0.0	0.0
Assets	63.8	50.1	57.4
Equity	21.9	27.9	23.1
Long-term liabilities	12.6	8.0	14.8
Advance payments received	14.6	2.9	7.2
Short-term liabilities	14.7	11.3	12.3
Equity and liabilities	63.8	50.1	57.4

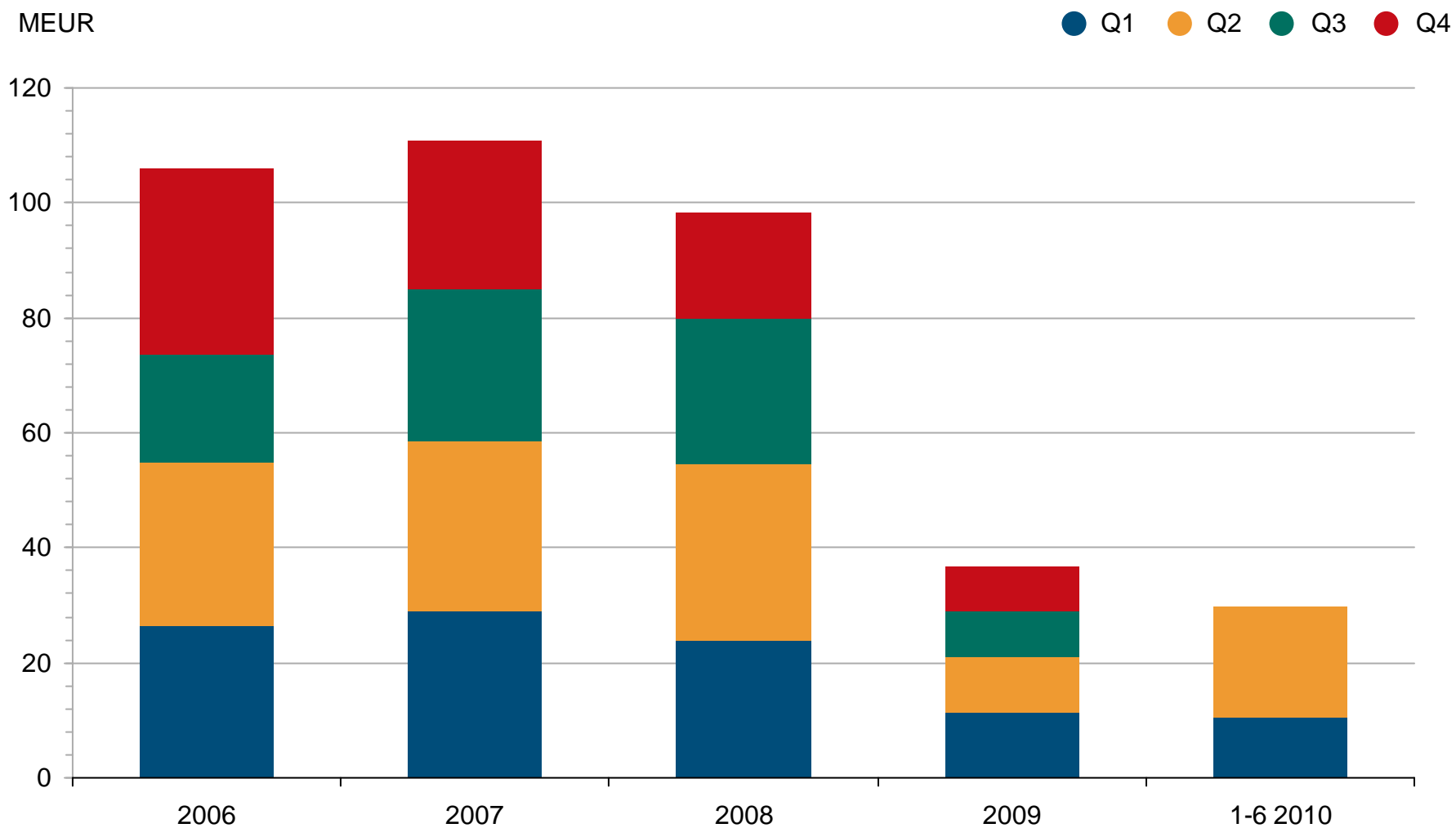
Order intake



Order book

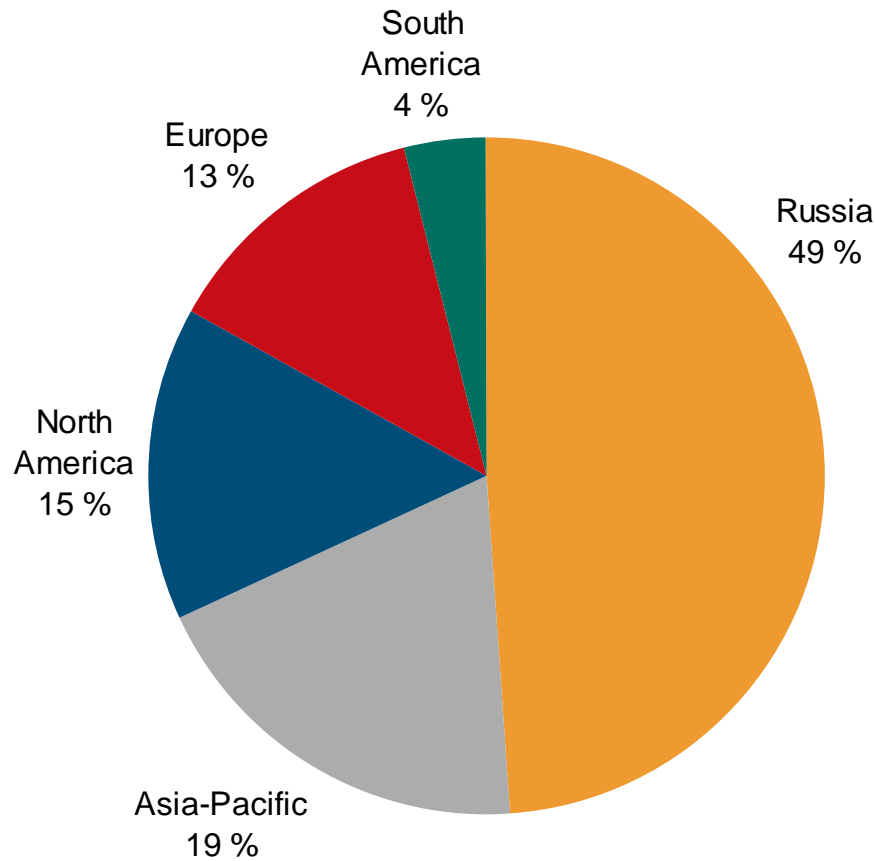


Net sales

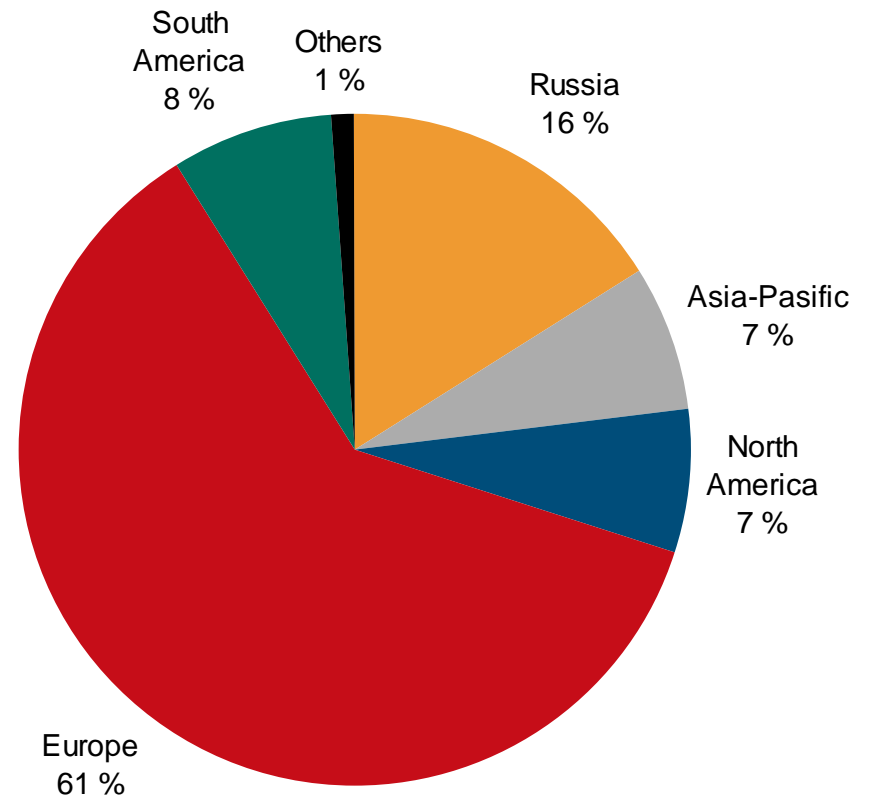


Net sales by market area, %

1-6 2010

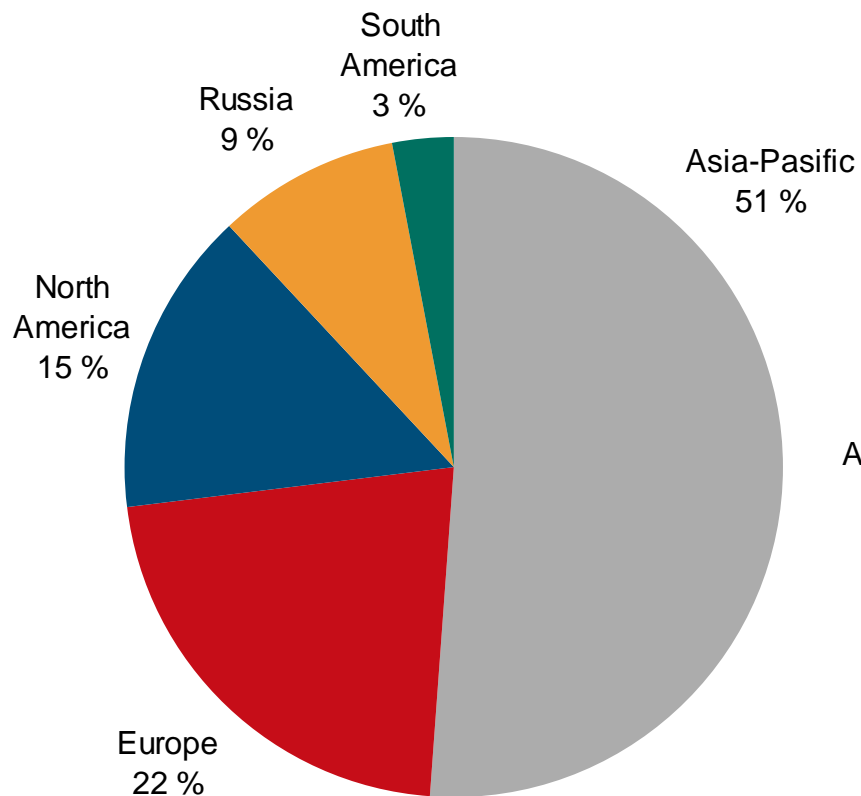


1-6 2009

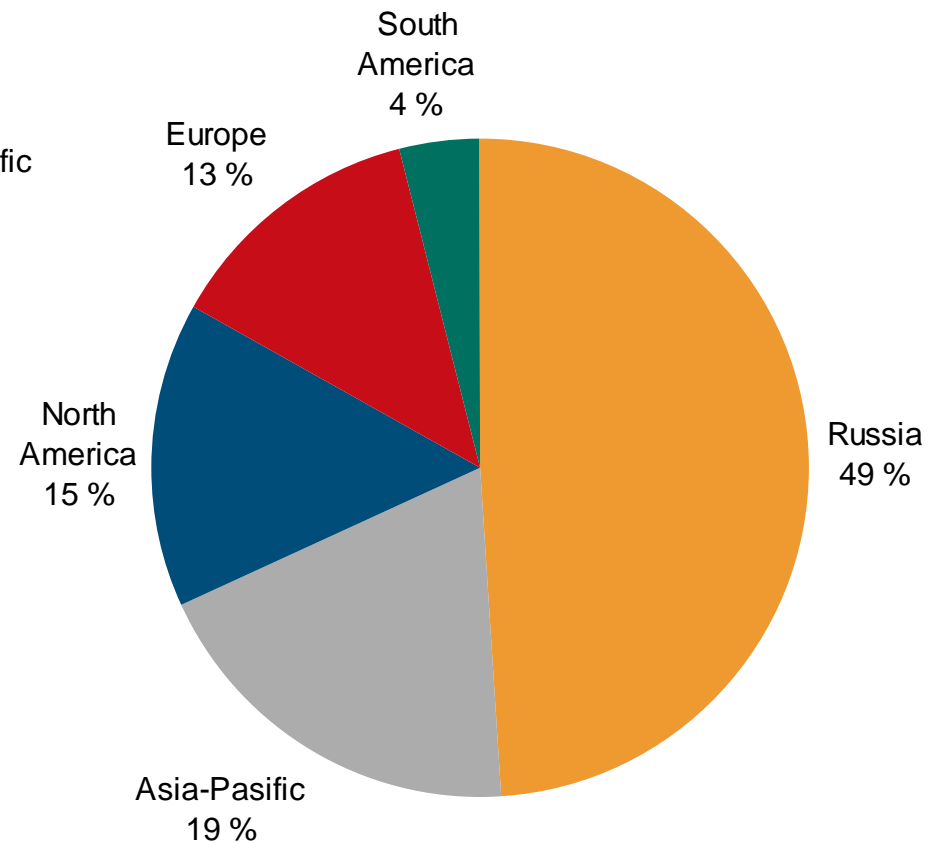


1-6 2010 by market area

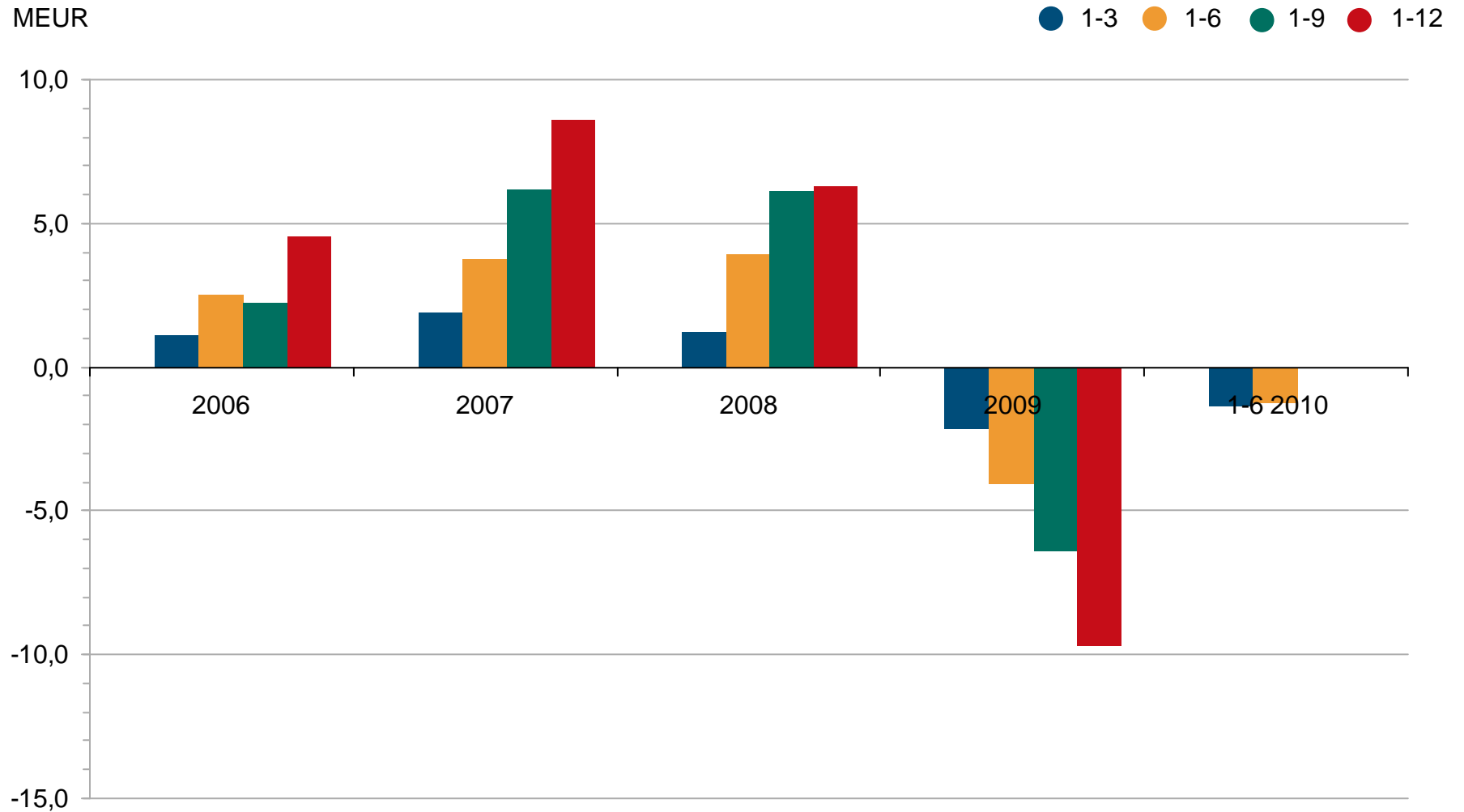
Order intake



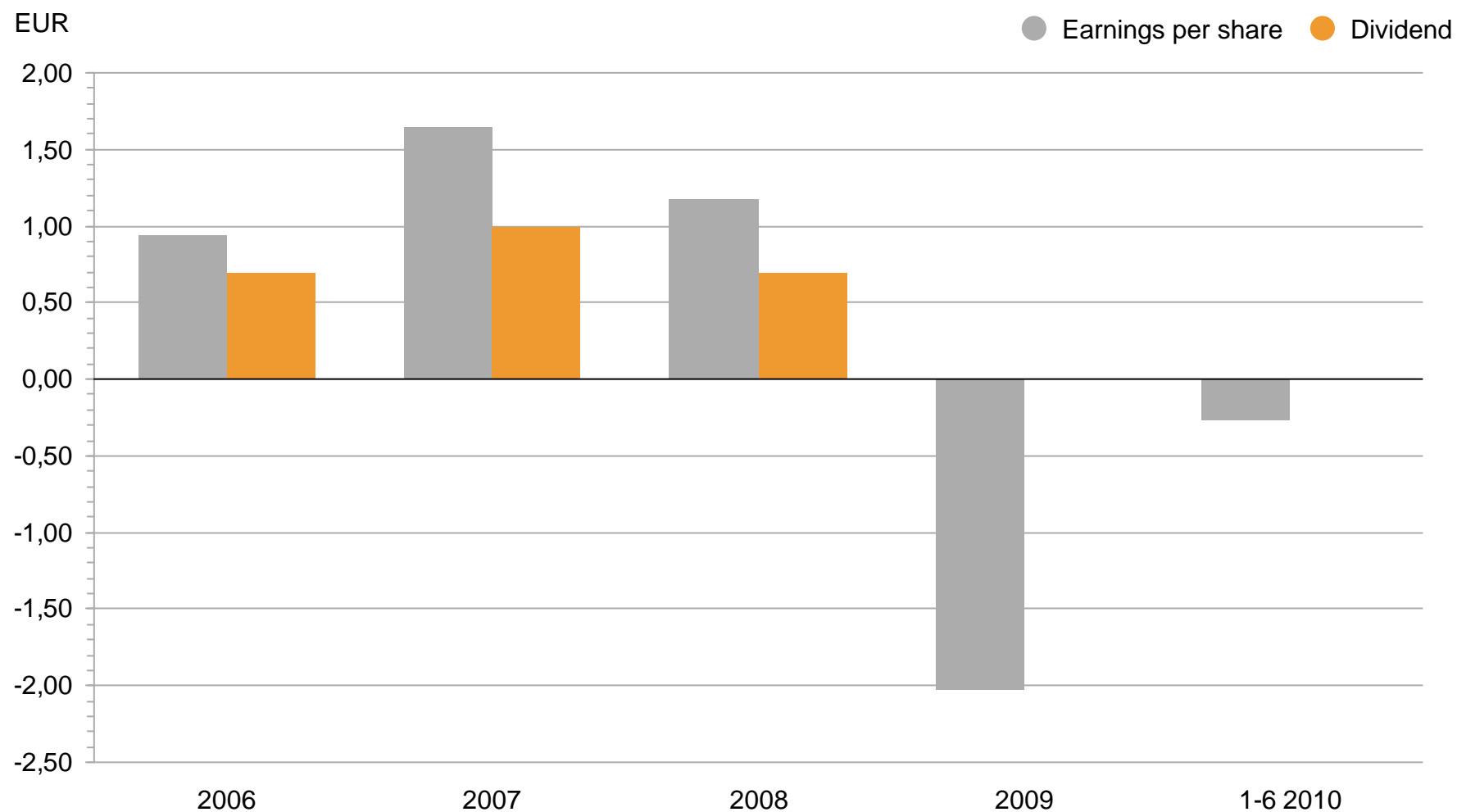
Net sales



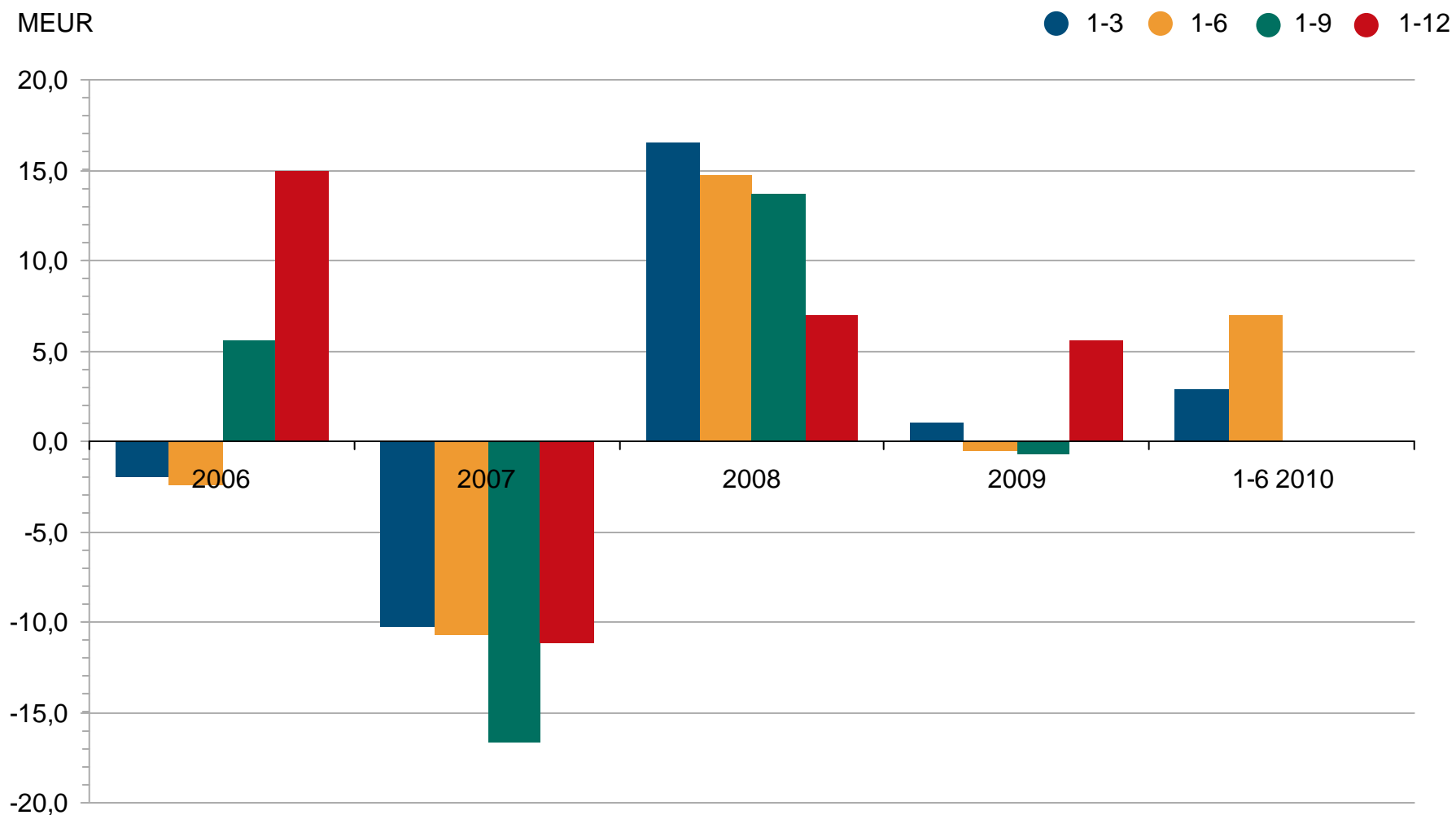
Operating profit



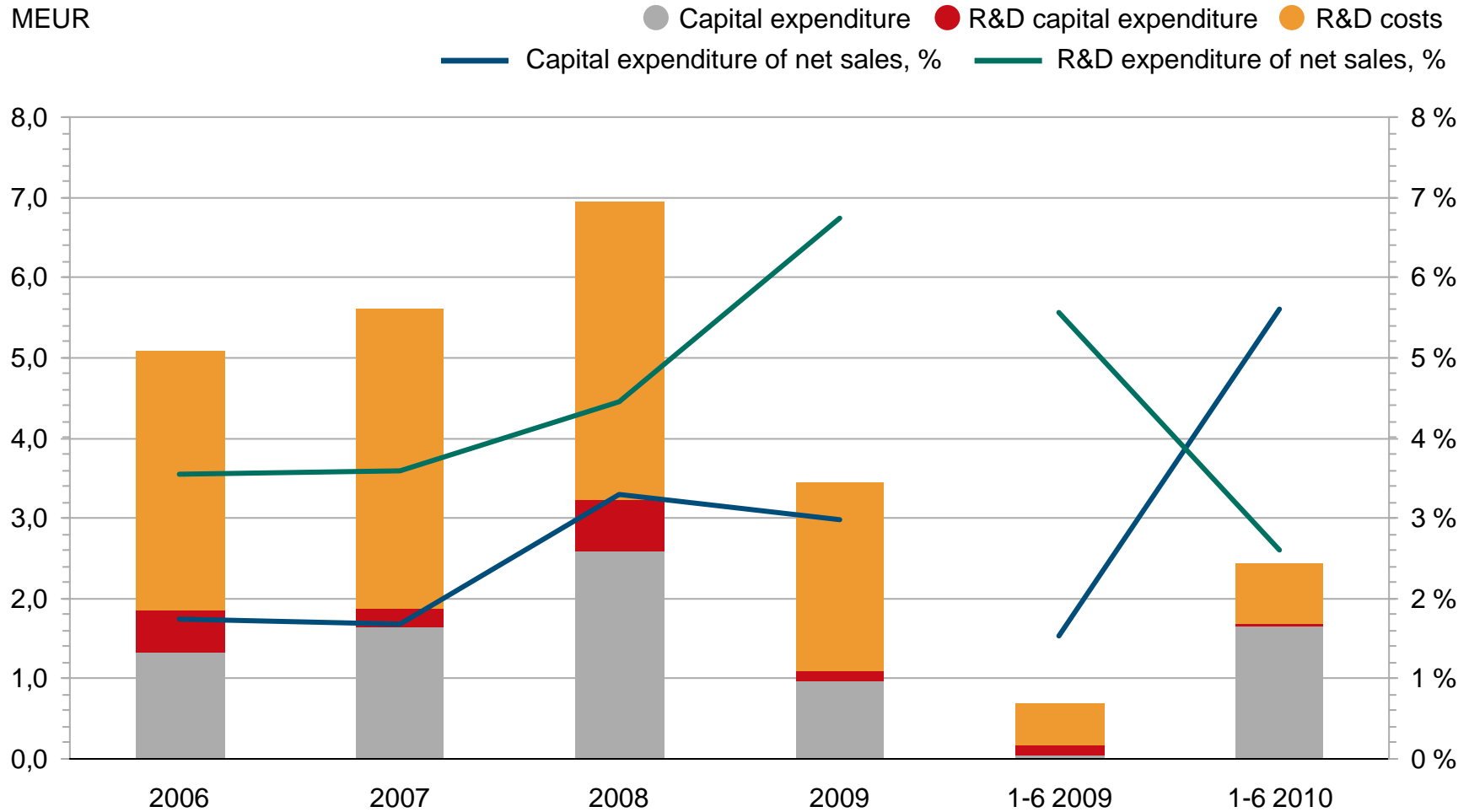
Earnings per share



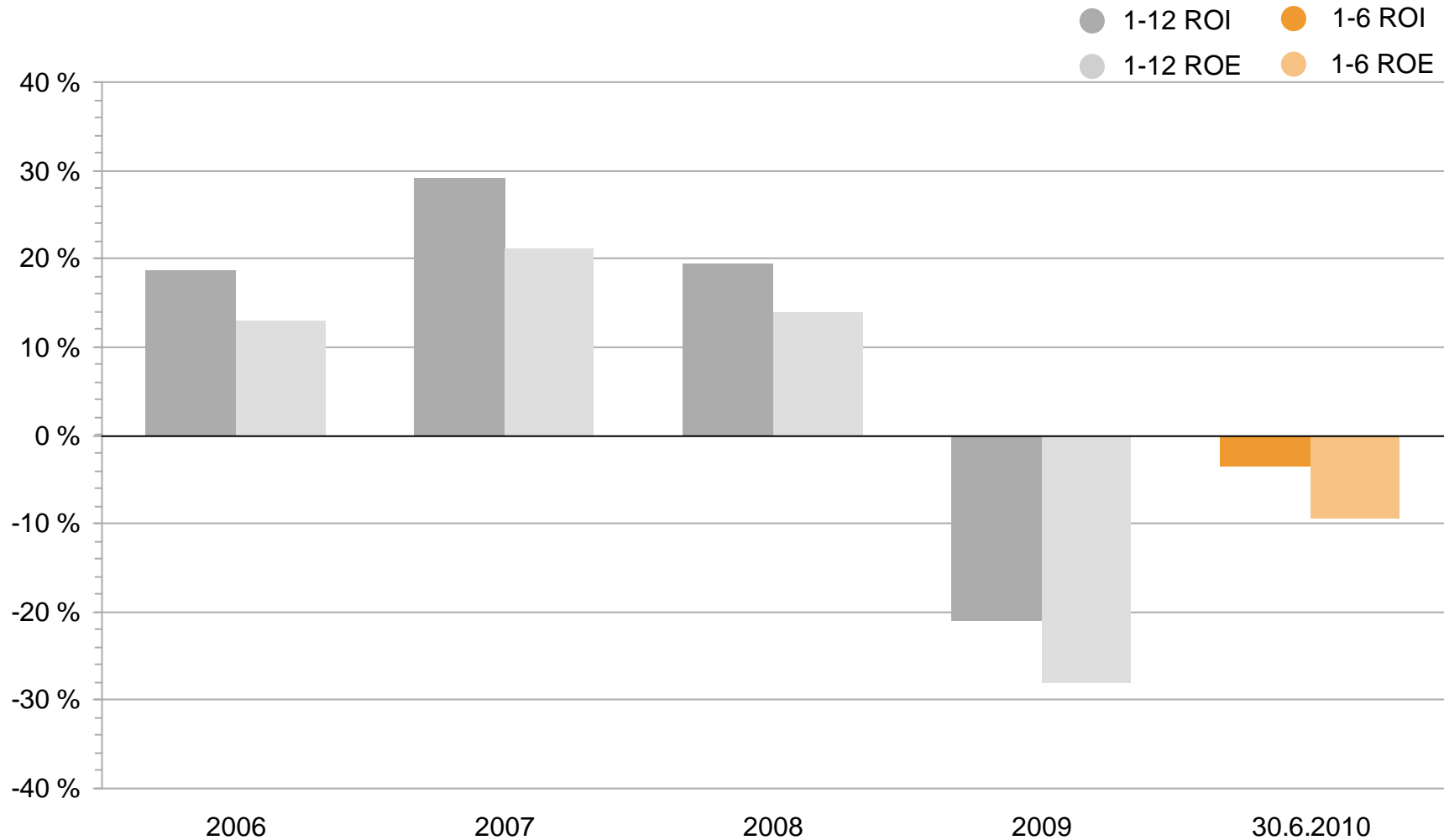
Operating cash flow



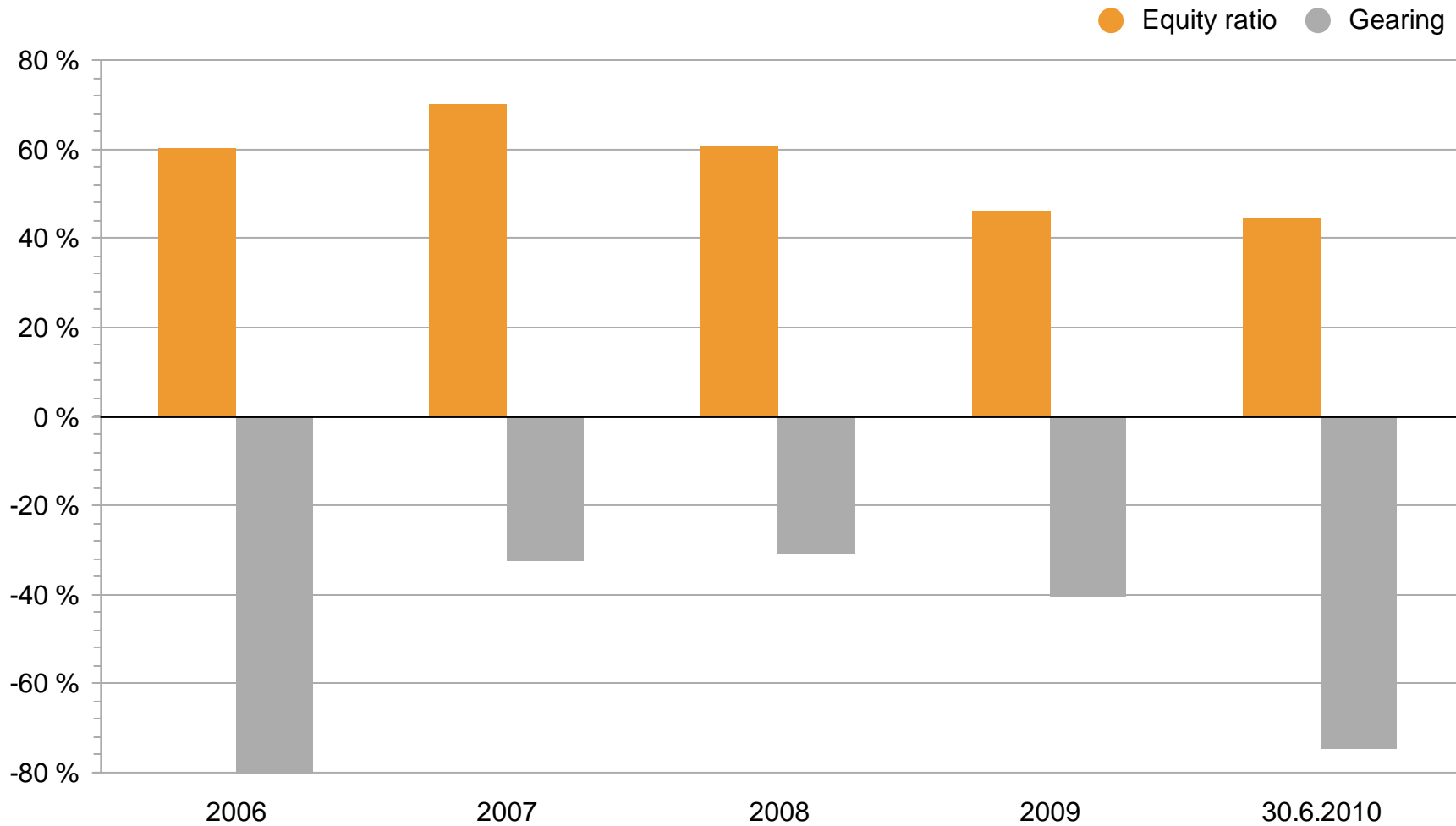
Investing in the future

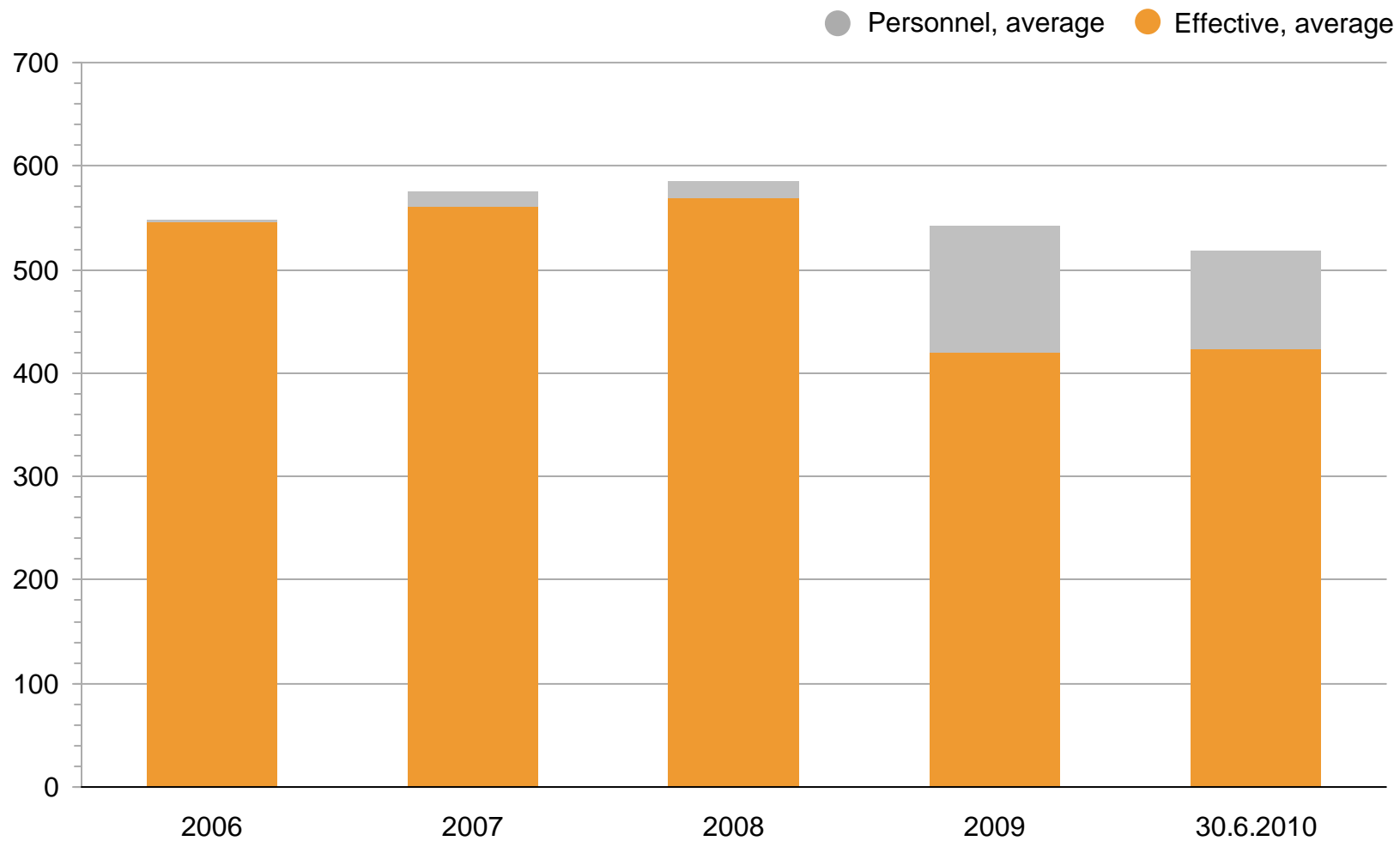


Return on investment (ROI) Return on equity (ROE)

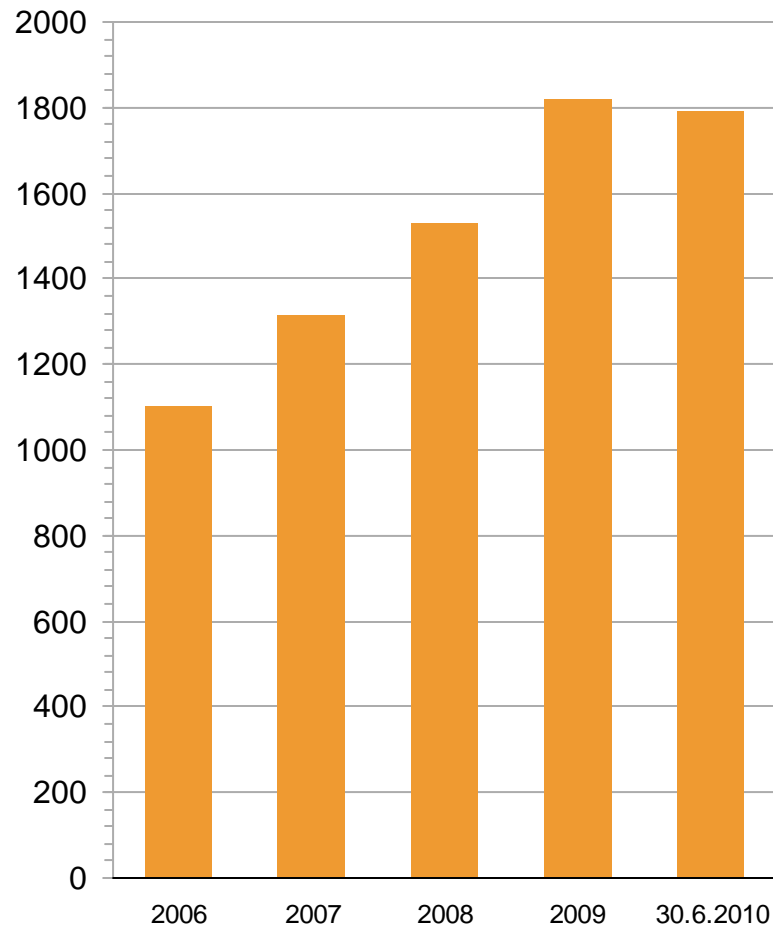


Equity ratio and gearing

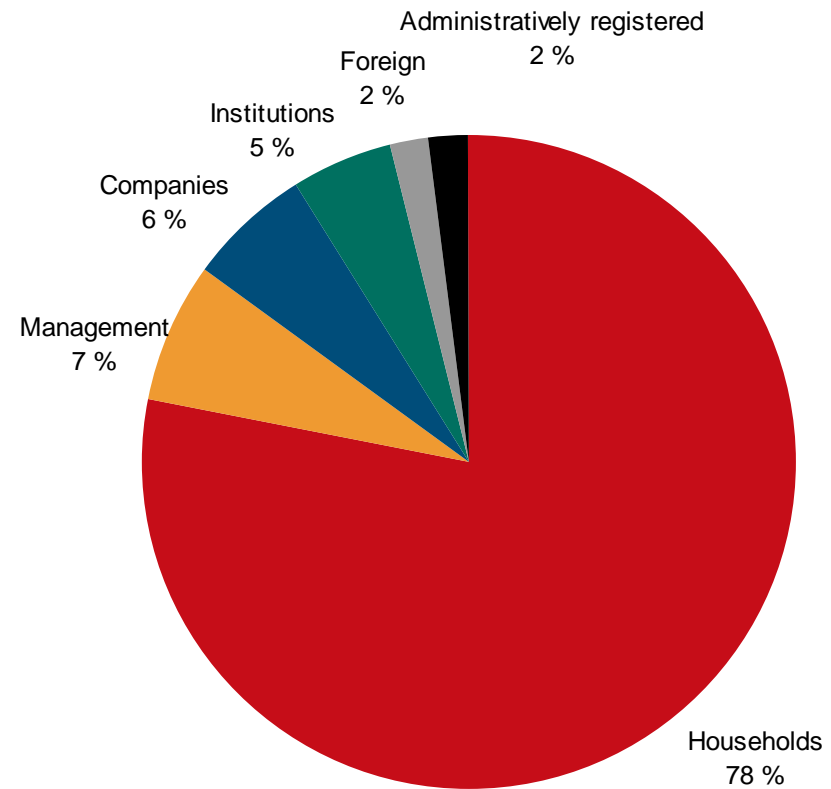




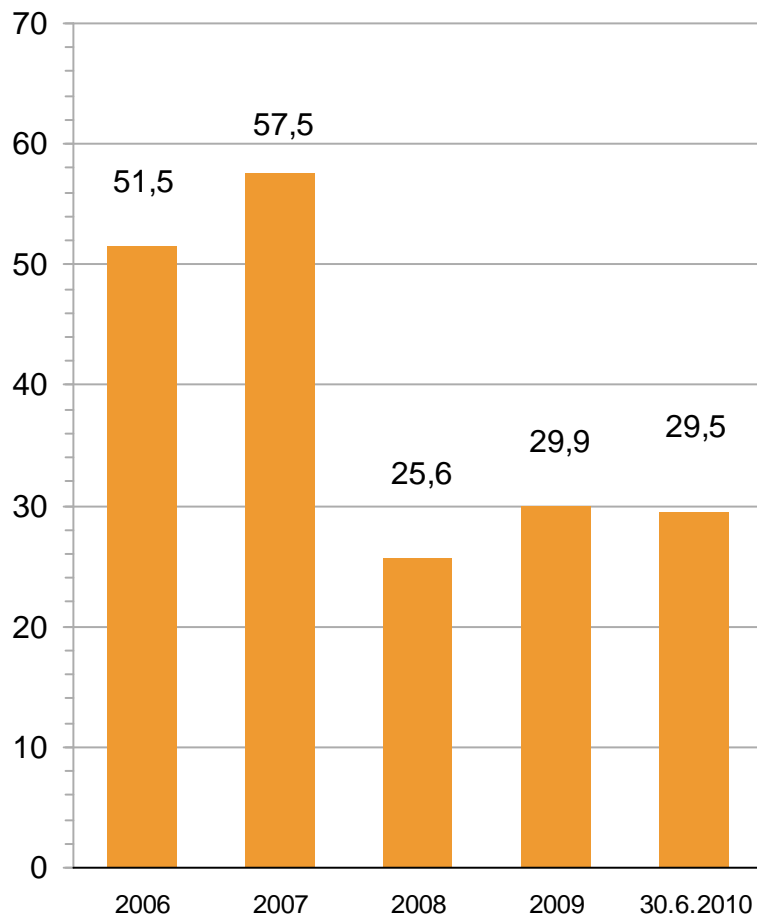
Number of shareholders



Shareholders at June 30, 2010

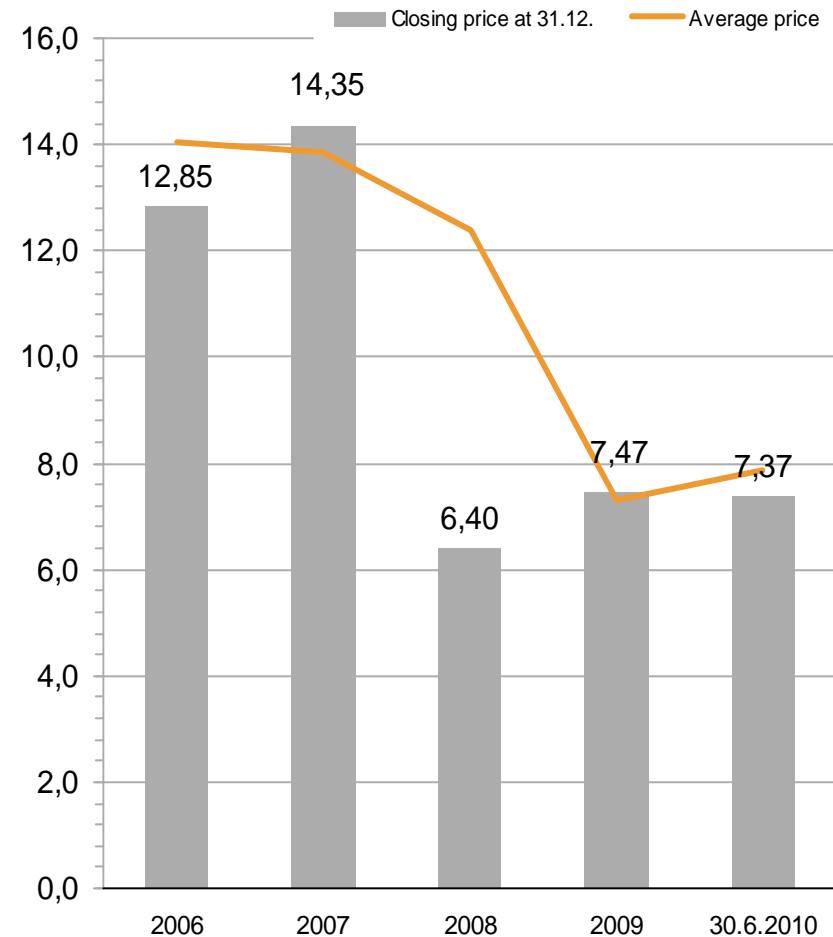


Market value, MEUR



Series K shares appreciated to the value of series A shares

Market capitalization, EUR



Business environment:

- Uncertainty in the development of the global economy and financial markets continues
- The market situation of the customer industries is estimated to continue uncertain
- Capacity utilization rates will mainly remain at a low level
- The global economic situation still holds back investment decisions
 - New, also mill-scale, projects are still under negotiation, but their timing and realization are uncertain

Raute:

- Order book has decreased, but it is still on a reasonable level
- Market situation remains uncertain
 - Global economic situation and the uncertain market situation of the customer industries affect the investment activity, also for modernizations of investment nature
 - Demand for maintenance and spare part services will not recover until capacity utilization rates of the customers' mills recover more permanently
- The outlook for net sales and profit has remained unchanged. Net sales for the entire year 2010 will increase and operating profit will improve from 2009
- Achieving a positive operating profit and its amount will depend on the order intake in the next few months

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