

(10) RAUTE OYJ

STOCK EXCHANGE RELEASE
April 24, 2003 at 17.45

RAUTE OYJ'S INTERIM REPORT FOR JANUARY 1 - MARCH 31, 2003

The Raute Group posted consolidated net sales of MEUR 15.5 (MEUR 20.4) and an operating loss of MEUR 3.0 (a loss of MEUR 3.2). Loss before extraordinary items came to MEUR 3.1 (a loss of MEUR 3.1).

The Group's period-end value of orders amounted to MEUR 19.1 (MEUR 30.3), while the value of orders received during the report period was MEUR 5.9 (MEUR 16.8).

The profit performance in the first half of 2003 will remain on the same level as in the first half of 2002 due to low volume of orders received and uncertain market conditions early 2003. However, the order volume is expected to grow strongly in the second quarter. For 2003 as a whole, it is estimated that consolidated net sales and profit will improve markedly from those reported in 2002.

BUSINESS GROUPS

RAUTE WOOD

Raute Wood reported net sales of MEUR 9.9 (MEUR 11.9) and an operating loss of MEUR 2.2 (a loss of MEUR 2.7).

The period-end value of orders of MEUR 8.7 (MEUR 21.9) and the value of new orders of MEUR 1.0 (MEUR 11.7) received during the report period fell considerably over the previous year.

The largest project implementations included peeling and pressing lines in Russia and an automatic veneer patching line in Finland.

Raute holds a strong position as a supplier of complete plant projects, and several major plant project agreements are taking effect. Also the demand for upgrading and modernization projects is picking up.

Early 2003 saw low order volumes, and the first half of

the year is expected to show weak profit performance. Nevertheless, the order volume is expected to rise considerably during the second quarter. It is also estimated that, with improved net sales for 2003, our profit will grow considerably, year on year.

RAUTE PRECISION

Raute Precision recorded net sales of MEUR 5.8 (MEUR 8.9) while showing an operating loss of MEUR

0.5 million (0.2 million) The la

plaster and mortar plant in Saudi Arabia.

The volume of orders MEUR 10.5 (MEUR 8.8) was on lower level as normally. The value of new orders received during the report period amounted to MEUR 5.1 (MEUR 5.4), the largest of which included a batch plant for a technical glass plant in Poland and a batch plant for a fiberglass plant in South Korea.

Although market prospects are still uncertain, tendering and contract negotiation activity has intensified within both the glass and the

plaster and mortar industries. Negotiations over a number of major projects are approaching completion, not only in China but also in Europe, as are those relating to investment projects in Russia.

Raute Precision is expected to maintain its net sales for the current

year at the previous year's level, and to improve its operating profit.

FINANCIAL POSITION

The Group's liquid assets totaled MEUR 12.1 (MEUR 12.8), gearing stood at -7 percent (-4 percent) and its solvency ratio at 45 percent (48 percent).

SHARES

The January-March share trading volume totaled 35,800, valued at

EUR 286,974, the highest and lowest quotation coming to EUR 8.80 and

EUR 6.35, respectively. Raute Oyj share closed at EUR 6.35 on March 31, 2003. The period-end number of shareholders totaled 715.

ANNUAL GENERAL MEETING

Raute Oyj's Annual General Meeting (AGM) on March 18, 2003 adopted the financial statements for 2002, confirming a per-share dividend of EUR 0.50 and a dividend payment date of March 28, 2003.

The AGM elected Jarmo Rytilahti, Uponor Corporation's President and CEO, and Panu Mustakallio, M.Sc.(Tech.), as new Board members, while re-electing Juha-Pekka Keskiaho (Chairman), Heikki Lehtonen (Vice-Chairman), Sinikka Mustakallio, Markku Nihti and Pekka Paasikivi.

The AGM elected Kari Miettinen and Lotta Mäkelä, Authorized Public Accountants, as auditors and PricewaterhouseCoopers, Authorized Public Accountants, as deputy auditor with Leena Rajala, Authorized Public Accountant, acting as the principal auditor.

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PROSPECTS

Investment prospects for the Raute Group's customer industries still look unpredictable. Several bigger investment projects are taking into effect. Also the demand for plant upgrading and modernization projects is picking up. The growth for maintenance services is estimated to remain on brisk level.

The profit performance in the first half of 2003 will remain on the same level as in the first half of 2002 due to low volume of orders received and uncertain market conditions early 2003. However, the order volume is expected to grow strongly in the second quarter. For 2003 as a whole, it is estimated that consolidated net sales and profit will improve markedly from those reported in 2002.

RAUTE GROUP

(The figures have not been audited)

1.1.-	1.1.-	
	31.3.2003	31.3.2002

	31.12.2002	1 000	1
	1 000		
	000		
INCOME STATEMENT	EUR	EUR	
EUR			
NET SALES	15 454	20 409	88
908			
Operating expenses	-17 580	-22 708	-93
617			
Depreciation according to	-869	-883	-3
590			
plan			
OPERATING PROFIT/LOSS			
AFTER DEPRECIATION	-2 995	-3 182	-8
299			
% net sales	-19 %	-16 %	-9
%			
Financial items	-129	91	-
652			
PROFIT/LOSS BEFORE			
EXTRAORDINARY ITEMS	-3 124	-3 091	-8
951			
% net sales	-20 %	-15 %	-10
%			
			4 (10)
Extraordinary items	0	0	0
PROFIT/LOSS BEFORE			
TAXES	-3 124	-3 091	-8
951			
% net sales	-20 %	-15 %	-10
%			
	95	506	1
599			
Income taxes *)			
Minority interests	-29	-2	
23			
PROFIT/LOSS FOR			

THE PERIOD	-3 058	-2 587	-7
329			
% net sales	-20 %	-13 %	-8
%			

*) Income taxes include the proportional share of the tax liability estimated for the whole fiscal period.

	1.1.-		1.1.-		1.1.-
NET SALES	31.3.2003		31.3.2002		31.12.2002
BY BUSINESS	1 000		1 000		1 000
SECTOR	EUR	%	EUR	%	EUR
%					
Raute Wood	9 933	64	11 916	58	60 922
69					
Raute Precision	5 809	38	8 888	44	29 390
33					
Other and internal	-288	-2	-395	-2	-1 404
-2					
Total	15 454	100	20 409	100	88 908
100					

	1.1.-		1.1.-		1.1.-
OPERATING PROFIT/LOSS	31.3.2003		31.3.2002		31.12.2002
AFTER DEPRECIATION	1 000		1 000		1 000
BY BUSINESS	EUR	%	EUR	%	EUR
SECTOR					
%					
Raute Wood	-2 176	73	-2 659	84	-5 124
62					
Raute Precision	-502	17	-156	5	-2 154
26					
Others and internal	-317	10	-367	11	-1 021
12					
Total	-2 995	100	-3 182	100	-8 299
100					

					5 (10)
	31.3.2003		31.3.2002		31.12.2002
NET SALES	1 000		1 000		1 000
BY MARKET AREA	EUR	%	EUR	%	EUR
%					
Finland	2 941	19	2 409	12	15 200

17					
Other European Countries	3 485	23	5 973	29	19 942
22					
North America	2 214	14	3 380	17	16 679
19					
South America	1 619	11	775	4	3 789
4					
Asia	1 925	12	4 224	21	13 145
15					
Russia	3 251	21	3 596	18	19 379
22					
Other	19	0	52	8	774
1					
Total	15 454	100	20 409	100	88 908
100					

	31.3.2003		31.3.2002		31.12.2002
GROUP	1 000		1 000		1 000
BALANCE SHEET	EUR		EUR		EUR

ASSETS

Fixed assets					
-Intangible	1 869		1 688		1 846
-Tangible	18 894		21 436		19 527
-Investments	2 848		2 999		2 963
Current assets					
-Inventories	5 434		5 795		4 715
-Receivables	13 843		26 732		15 379
-Current assets in marketable securities	10 716		11 355		10 844
-Cash in hand and banks	1 413		1 486		3 629
TOTAL	55 017		71 491		58 903

LIABILITIES

Shareholders' equity	22 373		30 705		27 376
Minority interest	0		37		0
Obligatory provisions	1 994		2 744		2 447

Liabilities			
Long-term liabilities	1 507	3 419	1 588
Advances received	4 965	6 833	4 224
Short-term liabilities	24 178	27 753	23 268
TOTAL	55 017	71 491	58 903
Liquid assets	12 129	12 841	14 473
Interest bearing liabilities	10 585	11 539	10 023
GROUP	1-3/2003	1-3/2002	1-12/2002
CASH FLOW STATEMENT	1 000	1 000	1 000
	EUR	EUR	EUR
Cash flows from operating activities:			
Cash receipts from customers	17 780	24 252	99 100
Cash receipts from other operating income	19	55	176
Cash paid to suppliers and Employees	-18 381	-24 446	-96 440
Interest paid	-225	-61	-956
Interest received	107	105	208
Dividends received	18	32	170
Income taxes paid	-139	-435	10
Net cash from operating activities	-821	-497	2 268
Cash flows from investing activities:			
Purchase of tangible and Intangible assets	-127	-1 441	-2 381
Acquisition of subsidiaries	-104	0	-397
Proceeds from sale of tangible and intangible assets	4	470	495
Proceeds from sale			7 (10)

of investments	85	191	457
Net cash used in investing activities	-142	-780	-1 826
Cash flows from financing activities:			
Proceeds from short-term loans	553	269	862
Repayment of long-term loans	-35	-92	-766
	Proceeds from long-term		
and short-term receivables	9	181	174
Dividends paid	-1 907	-3 815	-3 815
Net cash used in financing activities	-1 380	-3 457	-3 545
Net increase/decrease in cash and cash equivalents	-2 343	-4 735	-3 103
Cash and cash equivalents:			
at beginning of period	14 473	17 576	17 576
at end of period	12 130	12 841	14 473
KEY RATIOS	31.3.2003	31.3.2002	31.12.2002
Return on investment %, ROI	-32,8%	-26,4%	-18,5%
Return on equity %, ROE	-48,7%	-30,4%	-22,8%
Quick ratio	1,1	1,4	1,3
Gearing %	-6,9	-4,2	-16,3
Solvency ratio %	44,7%	47,5%	50,1%
Volume of orders in hand EUR million	19	30	25
Overseas sales, % of			

net sales	81,0%	88,2%	82,9%
Gross investments in fixed assets EUR million	0,2	1,4	2,8
Gross investments in fixed assets % of net sales	1,5 %	7,1 %	3,1 %
Personnel			
- in books average	792	838	835
- effective average	712	792	798
Earnings per share, EUR	-0,80	-0,68	-1,92
Equity to share, EUR	5,87	8,05	7,18
Issue-adjusted number of shares, 1,000	3 815	3 815	3 815
Issue-adjusted number of shares, at the end of the period 1,000	3 815	3 815	3 815

The group's profit development by
quarters:

1.000 EUR	1 - 3 2003	10 - 12 2002	7 - 9 2002	4 - 6 2002
Net sales				
- Raute Wood	9 933	13 416	16 938	18 652
- Raute Precision 7 072	5 809	7 553	5 877	
- Others and internal	-288	-532	-239	-238
				9 (10)
Total	15 454	20 437	22 576	
25 486				
Operating profit/loss after depreciation	-2 176	-2 044	-48	-391
- Raute Wood	-502	-560	-944	-494

- Raute Precision	-317	-421	-166	-49
- Others and internal	-2 995	-3 025	-1 158	-934
Total				
% net sales	-19,4%	-14,8%	-	
5,1%	-3,7%			
Financial items	-129	-102	-426	-215
Profit/loss before extraordinary items	-3 124	-3 127	-1 583	
-1 150				
% net sales	-20,2%	-15,3%	-7,0%	-4,5%
	31.3.2003	31.3.2002	31.12.2002	
OFF BALANCE SHEET COMMITMENTS	1 000	1 000	1 000	
	EUR	EUR	EUR	
Security for own debts				
Pledged	123	94	123	
Mortgages	10 926	10 674	10 926	
Security for others' liabilities				
Guarantees	2 155	1 258	2 391	
Other own liabilities				
Leasing- and rents liabilities				
-for the current accounting period	482	500	569	
-for the following accounting periods	1 506	2 559	1 874	
Forward rate agreements *)	144	585	493	
Other own liabilities	448	0	576	
				10 (10)

*) Project deliveries in foreign currencies are protected by forward foreign exchange contracts.

No loans or pledges given or other commitments made on behalf of the company's management, shareholders or associated companies.

RAUTE OYJ

Board of Directors

DISTRIBUTION

HEX Helsinki Exchange

FURTHER DETAILS

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