RUUKKI GROUP

INTERIM REPORT 1.1. – 30.6.2007

RUUKKI GROUP 14.8.2007 (excluding minor companies)

RUUKKI GROUP PLC

HOUSE BUILDING

90,1 % — **POHJOLAN DESIGN-TALO OY**

- Nivaelement Oy (100 %)
- RG Design-Talotekniikka Oy (70,1 %) **

SAWMILL BUSINESS

100 % — **RUUKKI YHTIÖT OY**

- Lappipaneli Oy subgroup (100 %)
- Ruukki Wood Oy subgroup (100 %)
- Tervolan Saha and Höyläämö Oy subgroup (91,4 %) ***
- Ruukki Invest Oy subgroup (100 %)

100 % — **OPLAX OY**

FURNITURE BUSINESS

71 %* — **INCAP FURNITURE OY**

- Hirviset Oy subgroup (100 %)
- Incap Furniture Inc (100 %) *
- Koy Jokilaaksojen Kiinteistöt (100 %)

CARE SERVICES

100 % — **MIKEVA OY**

- Terveyspalvelut Mendis Oy subgroup (100 %)
- Mikon Kuntoutuskodit Oy (100 %)

METAL INDUSTRY

69,4 % — **ALUMNI OY**

- Pan-Oston Oy (100 %)
- Selka-line Oy (100 %)

ASSOCIATED COMPANIES

20-50 %

- Arc Technology Oy (37,4 %)
- Cybersoft Oy (37,5 %)
- ILP-Group Oy Oy (33,4 %)
- Stellatum Oy (34,0 %)
- Valtimo Components Oyj (24,9 %)
- Widian Oy (39,6 %)

* Ruukki Group's ownership in Incap Furniture Oy totals ca. 71.0%, of which Ruukki Group Plc's share is ca. 11.3% and its subsidiary's Hirviset Group Oy's ownership ca. 59,9 %.
** Ruukki Group's effective ownership in RG Design-Talotekniikka Oy is ca. 63.2 %.
**Ruukki Yhtiöt Oy's ownership interest in Tervolan Saha ja Höyläämö Oy can be diluted to 80.0 % at the end of 2009 through call options held by Tervolan Saha ja Höyläämö Oy's minority shareholders in case all of those call options would be exercised by them.

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SUMMARY

FINANCIAL PERFORMANCE

MEUR	1-6/2007	1-6/2006
Revenue	93.0	60.8
EBITDA	10.1	7.3
EBIT	5.4	5.4
EBIT Margin (%)	5.8 %	8.8 %
Order Book (30 June)	49.8	39.5

- Comparable revenue for the first half of 2007 was approximately 21 % higher than in 1-6/2006.
- The business segments accounted for consolidated January-June revenue as follows (% of total revenue): house building 30% (42%), sawmill business 31% (21%), furniture business 26% (24%), care services 9% (7%).
- Approximately 39% (22%) of revenue were for exports.
- The comparable operating profit was about EUR 6.0 million.
- In June and July, the parent company Ruukki Group Plc executed a directed paid share offering and related over-allotment share issue.
- By the share issues the company gathered a net total of approximately EUR 337 million in equity.
- The funds thus accumulated are intended for use primarily in financing part of planned new investments in the forest industry in Kostroma, Russia.

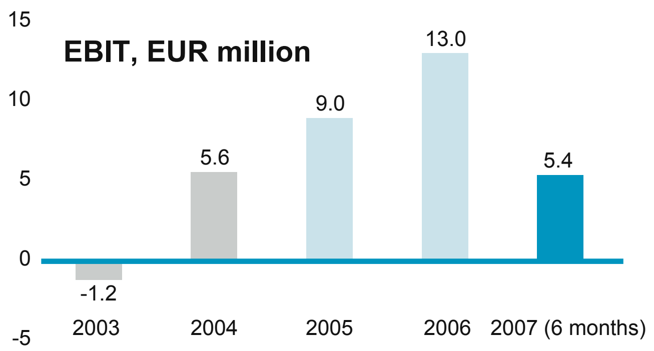
PLANNED KOSTROMA FOREST INDUSTRY INVESTMENTS

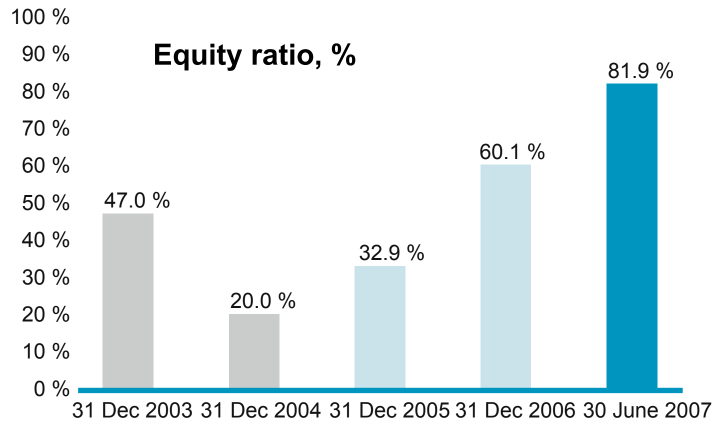
- In accordance with the extension of the investment agreement agreed upon and registered in the second quarter of 2007, Ruukki Group has the opportunity to invest either in a bleached kraft pulp (BKP) mill with an annual output capacity of 800,000 tons or alternatively to a BCTMP mill with 300,000 – 500,000 tons capacity, and moreover in a sawmill as agreed previously.
- In the same context, it was agreed that the annual harvesting rights included in the investment agreements will be increased to 6.0 million cubic meters per year.
- A letter of intent signed with Heinolan Sahakoneet Oy for a delivery of the main machinery of a sawmill line of up to 500,000 cubic metre annual capacity.
- Ruukki Group's Russian subsidiary has made a rental agreement in Kostroma, the city of Manturovo, for a land plot to be used for both the planned sawmill and pulp mill.
- Mr. Tapio Särkkä been appointed to be the Head of the Kostroma investment projects.

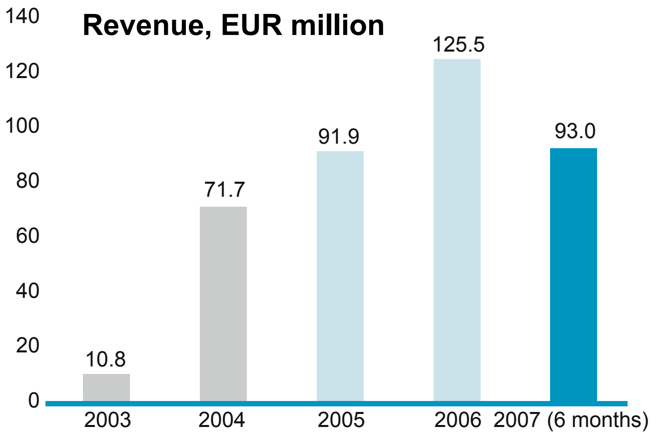
REVENUE AND EBIT FORECAST 2007

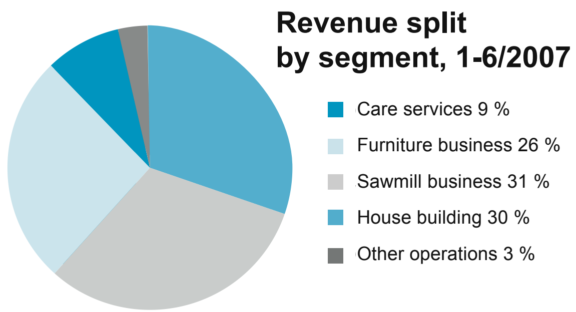
- With the current business structure, Ruukki Group's consolidated revenue in 2007 is expected to be close to EUR 200 million
- Group's euro-denominated operating profit (EBIT) for 2007 is expected to exceed that of 2006, when excluding the expenses arising from the Kostroma projects.

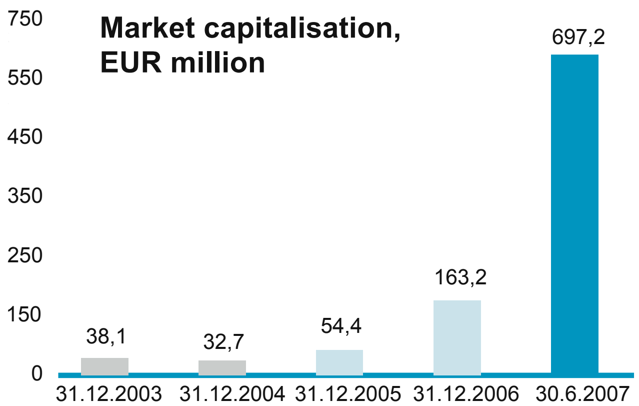
FINANCIAL PERFORMANCE INDICATORS

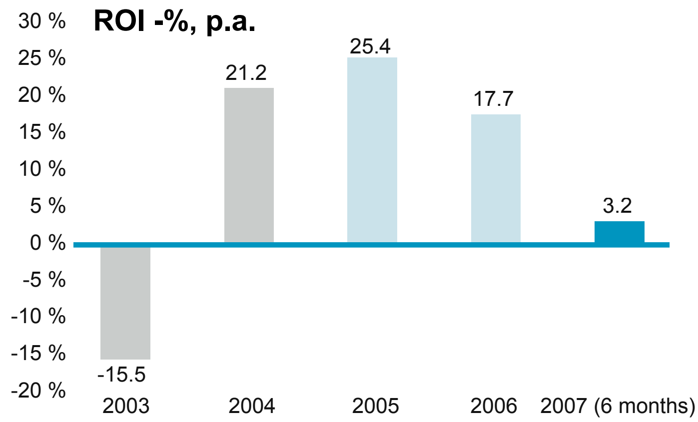


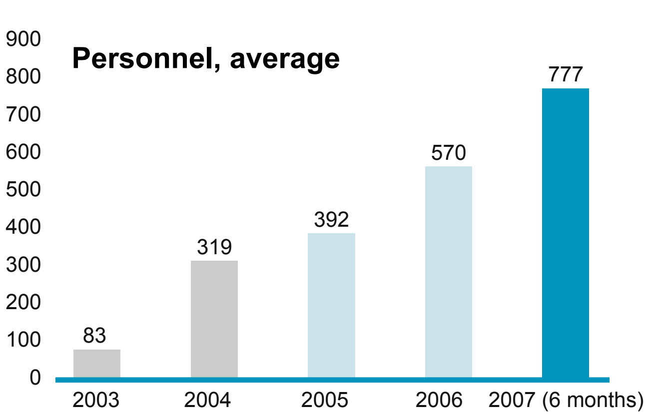


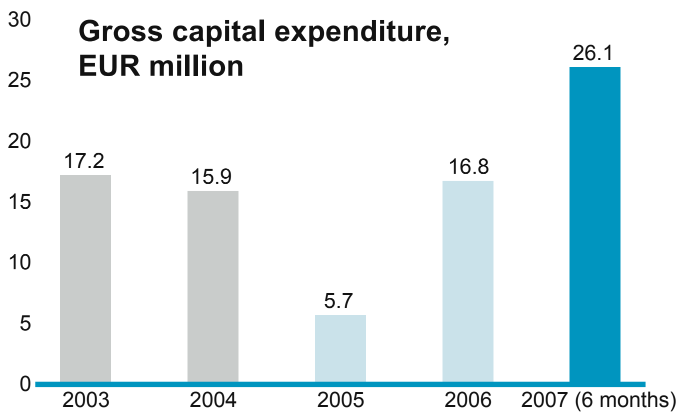












GROUP KEY INDICATORS (EUR million)

	Q2/2007 6 months 30.6.2007	Q2/2006 6 months 30.6.2006	2006 12 months 31.12.2006
Revenue	93.0	60.8,	125.5
Operating profit (EBIT)	5.4	5.4	13.0
% of revenue	5.8,%	8.8,%	10.4,%
Profit/loss before taxes	4.8	4.9	12.2
% of revenue	5.2 %	8.0,%	9.7,%
Return on equity (ROE), %	2.0 %	15.4,%	19.1,%
Return on investment (ROI), %	3.2%	16.2,%	17.7,%
Equity ratio, %	81.9%	43.5,%	60.1,%
Earnings per share, EUR (basic)	0.01	0.03	0.07
Earnings per share, EUR (diluted)	0.01	0.02	0.06
Equity per share, EUR	1.30	0.43	0.42
Average issue-adjusted number of shares during the period, basic (1.000)	146,165	108,134	118,052
Average issue-adjusted number of shares during the period, diluted (1,000)	149,751	129,929	135,996
Issue-adjusted number of shares at the end of the period (1,000)	270,534	123,301	135,964

Financial ratios presented above or below have been calculated according to the formulas published in conjunction with the Group annual report for the financial year 2006.

At the end of the above review periods, neither Ruukki Group Plc nor any of its subsidiaries held any shares in Ruukki Group Plc.

On 30 June 2007, the number of registered company shares totalled 270.234.022. On that date, the maximum dilution effect of the company's I/2005 option program was 2,700,000 shares. In addition, the company has, pursuant to decisions by the board of directors, issued through a free directed issue a total of 300,000 new shares, and through a directed paid over-allotment share issue a total of 19,500,000 new shares, which were registered in the trade register in July.

Key events for the first quarter of 2007 (1 January – 31 March 2007) can be found in the interim report published by Ruukki Group Plc on 15 May 2007. That Q1/2007 interim report can be found in e.g. www.ruukkigroup.fi.

Expansion of the Kostroma investment agreements

In February 2007, Ruukki Group Plc announced that it had registered investment agreements concerning a sawmill and a chemi-mechanical market pulp (bleached chemi thermo mechanical pulp, BCTMP) mill in the investment project register of the Kostroma region. In May 2007, Ruukki Group made an agreement with the administration of the Kostroma region to expand the BCTMP mill investment agreement with a new agreement that was registered by the Kostroma region's administration at the end of June.

In accordance with the investment agreement registered previously in February 2007, Ruukki Group has the opportunity to invest in a BCTMP mill with an annual production capacity of 300,000-500,000 tons. Pursuant to the expanded investment agreement concluded in May and registered in June, Ruukki Group can either invest in a chemical pulp mill (BKP, bleached kraft pulp) with an annual production capacity of 800,000 tons or alternatively in the BCTMP mill agreed upon earlier.

The combined total wood consumption of the 800,000-ton BKP mill now planned by Ruukki Group and the conifer sawmill will, if realised, reach over four million cubic meters of industrially usable wood per year. To enable this, it has been agreed that the annual harvesting rights included in the investment agreements can be increased from the previously agreed 2.5-3.1 million cubic meters to a total of 6.0 million cubic meters per year. This increase in harvesting rights also provides an opportunity to expand the annual sawmill capacity clearly over the planned 300,000 cubic meters.

According to plan, bleached softwood kraft pulp (BSKP) will account for half of the BKP mill's output, while bleached hardwood kraft pulp (BHKP) will account for the other half. Ruukki Group has commissioned Pöyry Forest Industry Consulting Oy to conduct a feasibility study on both alternatives. The preliminary estimates of this study show that the production costs of a BKP mill would be on a competitive level compared with, for example, new BKP pulp mills operating at low production costs in South America.

Based on current information and calculations, Ruukki Group estimates the total investments in the BKP mill and sawmill and in the necessary harvesting and transport machinery to be approximately EUR 1.1 billion, compared with the previously announced BCTMP mill investment option totalling an estimated EUR 0.5 billion. The total investment will essentially depend on the technical set-up and the annual production capacity of the pulp mill. If the pulp mill is decided to be implemented as a BKP mill, then the mill investment will be substantially affected, for example, by the price development of special steels during the investment implementation period.

The extension of the investment agreement is not expected to considerably change the schedule of the investment projects. The sawmill is expected to start production late in 2008, and the pulp mill's initial start-up is expected to take place late in 2010. The planned location for the pulp mill and sawmill is the city of Manturovo on the Unzha river in the Kostroma region some 500 km northeast of Moscow.

The final implementation of the investments also depends on obtaining environmental and other official permits in Russia, as well as a number of other factors. At this time, no assurance can be given that such permits will be obtained or that favourable decisions will be made by the relevant authorities.

Approximately EUR 2.4 million in expenses arising from examinations and preparations relating to the investments planned in Russia were recognised in the consolidated income statement for the review period 1 January - 30 June 2007. The amount of corresponding expenses in the comparison period of 2006 was very small.

General Meetings of Shareholders

The Annual General Meeting held in April decided to pay out a dividend of EUR 0.03 per share, partly amend the Articles of Association, execute a bonus share offering to pay for the additional transaction price liabilities relating to old share exchange agreements and update the terms and conditions of the I/2005 option program as enabled by the new Companies Act. The Annual General Meeting re-elected the existing Board in its entirety and the auditors. Additionally, the Annual General Meeting authorised the Board to decide on a share issue and on granting options and other special rights that give entitlement to shares. By virtue of this authorisation, the maximum number of shares to be issued in one or more lots is 25,000,000 new shares or Ruukki Group shares already held in the company's treasury, corresponding to approximately 8.6 per cent of the total number of shares registered on 14 August 2007. Based on this authorisation the board of directors has issued 300,000 shares to Matti Vikkula in June 2007. The authorisation is valid until 20 April 2009.

An Extraordinary General Meeting held in June decided, in accordance with the Board proposal, to execute a paid share offering and related over-allotment share issue option primarily to finance part of planned investments in Russia. Arno Pelkonen and Timo Poranen were elected as new members to Ruukki Group Plc's Board of Directors, and Fredrik Danielsson and Timo Honkala left the Board. The company's Articles of Association were amended in part, for example, by adding Ruukki Group Plc as the company's English business name.

Share issue

Ruukki Group Plc's Extraordinary General Meeting on 12 June 2007 decided on a directed paid share offering, in which a minimum of 100,000,000 and a maximum of 130,000,000 new shares were to be offered. In accordance with the share offering's terms and conditions, the reception of subscription commitments ended on 20 June 2007. The share offering's success met the company's expectations, and the number of subscription commitments clearly exceeded the number of new shares to be offered. Ruukki Group Plc's Board of Directors decided on 21 June 2007, in accordance with the general meeting decision, to execute the share offering.

In addition, Ruukki Group's Board decided in June, in accordance with the share offering's terms and conditions, to give Evli Bank Plc, the manager of the issue, the right to subscribe for up to 19,500,000 new shares at a subscription price of EUR 2.30 per share to cover the over-allotment. Based on the subscription commitments submitted by institutional investors in the book building process, the final subscription price was confirmed at EUR 2.30 per share. Resulting from the offering of 130,000,000 shares and less the estimated costs, Ruukki Group received new funds totalling approximately EUR 294 million.

In the same context, the company's Board approved the allocation of new shares to investors who had made subscription commitments, the total number of whom at the final subscription price level was 363. In accordance with the share offering's terms and conditions, at least one third of the minimum amount of new shares offered were reserved for the company's current shareholders and comparable parties ("shareholder offering"). The subscription commitments made in the shareholder offering cover a total of 70,359,005 new shares. The Board decided that the shareholder offering should comprise 50,745,086 new shares. The Board also decided that the number of new shares to be allocated to the 297 investors who had made subscription commitments in the shareholder issue would correspond to no more than 55 per cent of the number of the company's shares held by the respective investors as per 1 June 2007. The rest of the new shares were offered to institutional investors ("institutional offering"). In the institutional offering, a

total of 98,754,914 new shares were allocated to 81 investors, with approximately 20 per cent allocated to Finnish investors and approximately 80 percent to foreign investors. The number of subscription commitments made in the institutional offering exceeded the number of new shares allocated in the institutional offering by 1.5 times. The above investor group specific allocation amounts include the shares allocated to investors on the basis of over-allotment options.

In accordance with the terms and conditions of the issue, the subscription price was recognised in full in the paid-up unrestricted equity fund.

Revision of dividend distribution policy

In May 2007, Ruukki Group Plc's Board decided to revise the company's dividend distribution policy. The number of dividends distributed by the Company in the future will depend on the Company's financial status, need for capital and other factors. The planned investments to Russia will restrict the company's possibility to distribute dividends in the coming years. It is possible that no dividend at all will be distributed on the company's shares in the next few years.

Changes in Group management

In June, Ruukki Group Plc's Board appointed Matti Vikkula, M.Sc. (Econ.) as the company's new CEO. He will commence as CEO no later than the beginning of September 2007. At the same time, the company's Board decided, pursuant to the share offering authorisation given by the Annual General Meeting, on a bonus offering of 300,000 shares to Matti Vikkula to increase his commitment in the company. These shares that were issued in July come with a restriction on the right of disposal, ending on 15 December 2008.

The Extraordinary General Meeting of 12 June 2007 elected Timo Poranen, M.Sc. (Eng.) and Arno Pelkonen, M.Sc. (Econ.) as new members of the company's Board. Strengthening the management and the Board improves the company's prerequisites to successfully carry out the selected Group strategy.

Ruukki Group Plc's Board of Directors decided in May 2007 to establish an Audit Committee. In August Matti Lainema (committee chairman), Mikko Haapanen and Timo Poranen were appointed as members of the Audit Committee.

Acquisition of a majority holding in Pohjolan Design-Sähkö Oy

In June, Pohjolan Design-Talo Oy, the parent company of Ruukki Group Plc's house building business area, acquired a majority holding in Pohjolan Design-Sähkö Oy, a non-Group electrical contractor company, at a price of EUR 1.5 million. Pohjolan Design-Sähkö is a long-term subcontractor and partner of Pohjolan Design-Talo. The acquired company is domiciled in Ii, Finland. According to Kimmo Kurkela, Managing Director of Pohjolan Design-Talo, the acquisition strengthens the company's delivery

chain, as the company will gain control of previously outsourced electrical contracting.

After the transaction, Pohjolan Design-Talo Oy has a 70.1% holding in Pohjolan Design-Sähkö Oy (Ruukki Group's effective holding approximately 63,2%). The company's operating management retains a minority holding in the company. Pohjolan Design-Sähkö Oy's revenue in the 2006 financial year were approximately EUR 3.8 million. The acquisition is estimated to increase Ruukki Group's revenue in the 2007 financial year by almost EUR 2 million and have a positive profit impact.

It was also agreed to divest the current HVAC business of Pohjolan Design-Talo Oy to the acquired subsidiary Pohjolan Design-Sähkö Oy, whose business name has been changed to RG Design-Talotekniikka Oy. This arrangement is aimed at ensuring quality and increasing operating efficiency in the house building business area. The HVAC and electrical operations of the house building business area currently employ 41 persons.

Fire at Hirviset Oy's Lestijärvi production plant

A fire occurred in late June in Lestijärvi at the furniture factory of Hirviset Oy, a subsidiary of Incap Furniture that effectively forms the furniture business area of Ruukki Group, destroying a large proportion of the Lestijärvi plant's production facilities and equipment. There were personnel present when the fire broke out, but no damage was inflicted on persons. The plant employed about 70 persons.

The damage caused by the fire is expected to amount to EUR 7-8 million. Property and business interruption insurance will cover most of the direct damage. The production interruption resulting from the fire will cause a slight drop in Ruukki Group's revenue in 2007, unless an optional location can be found for the destroyed plant's production.

MAIN EVENTS AFTER 30 JUNE 2007

Over-allotment share subscription

Evli Bank Plc exercised the over-allotment option granted to it in accordance with the terms and conditions and the placing agreement of the offering and, on 16 July 2007, subscribed for the additional new shares in full at the subscription price of the issue, EUR 2.30 per share to cover the over-allotments. The company's Board approved the subscription made by Evli Bank Plc on the same date. Following the exercise of the over-allotment option, the Ruukki Group issued a total of 19,500,000 new shares. In accordance with the terms and conditions of the offering, the subscription price was recognised in full in the paid-up unrestricted equity fund. Following the subscription of additional shares, Ruukki Group's total net proceeds from the offering are approximately EUR 337 million, which has been invested in euro-denominated fixed income instruments, mainly in diversified short-term fixed income funds, during June and July

Planned Kostroma forest industry investments

The preparations for the planned forest industry investments in the Kostroma region have been going forwards as planned. In August the sawmill business segment has entered into a letter of intent with Heinolan Sahakoneet Oy for a delivery of sawmill line into Kostroma based on plans of up to 500,000 cubic metre annual capacity.

Mr. Tapio Särkkä, M.Sc. (Eng.), having extensive background in Russian forest industry operations, has been recruited to be the Head of Kostroma investment project. He will start in the beginning of September.

Ruukki Group's Russian subsidiary has made a rental agreement in Kostroma, the city of Manturovo, for a land plot to be used for both the planned sawmill and pulp mill.

During the second half of 2007, wood harvesting operations are targeted to be started. Moreover, by the end of 2007 ground foundations and infrastructure investments in the land plot for saw mill should be done if everything goes according to the plan.

EUR 2.4 million expenses have been recognised in the interim period (the corresponding expenses in 1-6/2006 being only very limited and in 1-12 totalling about EUR 0.5 million).

The fixed assets in the balance sheets of the Russian subsidiaries totalled EUR 0.1 million and the number of employees eight people at the end of the interim period.

HOUSE BUILDING

The house building business area has delivered wooden ready-to-move-in houses to customers as follows:

1-6/2007	1-6/2006	4-6/2007	4-6/2006	1-12/2006
221	221	108	97	458

The revenue from ready-to-move-in houses delivered by the business area are recognised as income upon delivery to the customer, for which reason sites in progress have no effect on the Group's revenue or profit.

The steep and rapid climb of the costs of raw materials and supplies in the review period 1 January - 30 June 2007 weakened the EBIT margin, and will probably keep the second half's profitability at a lower level than previous year. During the review period, the number of houses delivered to customers remained unchanged from the previous year's corresponding period, but the business area's revenue changed owing to an increase in the average selling price of houses. Deliveries in the house building business are generally very seasonal, which in practice means that more deliveries are made during the first, and particularly the fourth, quarters than over the summer. However, it is expected that in the 2007 financial year the timing of deliveries will differ slightly from the normal seasonal variation.

In June a 70.1 per cent holding in Pohjolan Design-Sähkö Oy, long-term partner and supplier of this business segment, was acquired, mainly in order better manage and optimize the supply change and to ensure quality in electricity assemblies.

The business area's order book excluding VAT stood at approximately EUR 27.7 million at the end of the review period (EUR 23.0 million on 30 June 2006). The order book contains no significant risks. At the end of the review period, the house building area's personnel totalled 151 (80 on 30 June 2006).

The house building business area's key figures for the review period were as follows:

MEUR	1-6/2007	1-6/2006	4-6/2007	4-6/2006	1-12/2006
Revenue	28.1	25.3	14.0	11.3	53.7
EBIT	5.6	6.6	3.0	3.1	13.4
EBIT-%	19.8 %	26.1 %	21.4 %	27.8 %	24.9 %

SAWMILL BUSINESS

The sawmill business area specialises in the efficient processing of softwood logs from Northern Finland into various timber products for both domestic and export markets. The construction industry forms the business area's main customer group in both Finland and elsewhere, because the Group's products are extremely well suited to house building thanks to their strength properties. Included in the business area through an acquisition as from March 2007 is Oplax Oy, a fully-owned manufacturer of packaging pallets for the Finnish industry.

In the sawmill business, both the market prices of end products and the stumpage prices of timber and raw material transportation costs have increased, as a net effect of which the business area's profit has increased in the short term. The operating profit includes a non-recurring gain of EUR 0.4 million.

At the end of the review period, the area's order book excluding VAT stood at approximately EUR 13.6 million (EUR 10.2 million on 30 June 2006). The sawmill business area employed altogether 117 people at the review period's end (39 people on 30 June 2006).

The softwood sawmill planned for the Kostroma region in Russia is still in the planning stage, and the only expenses arising from it in the review period were related to some preparatory activities.

The sawmill business area's key figures for the review period were as follows:

MEUR	1-6/2007	1-6/2006	4-6/2007	4-6/2006	1-12/2006
Revenue	29.2	12.8	16.6	6.4	27.8
EBIT	4.0	0.7	2.2	0.2	1.4
EBIT-%	13.8 %	5.7 %	13.5 %	3.7 %	4.9 %

FURNITURE BUSINESS

The furniture business area manufactures wooden, ready-to-assemble furniture at four production plants in Finland.

In the table below the EBIT includes both the shares of profit relating to holdings in associated companies corresponding with the Group's respective holdings and all income statement items corresponding with holdings in subsidiaries. No revenue has been recognised from the associated company period, due to which the above EBIT percentage is only indicative, except for the period 4-6/2007. In January and February 2007 the furniture business company Incap Furniture and all of its subsidiaries were an associated company of Ruukki Group, and from March 2007 onwards treated as a subsidiary. In February and March 2006 Incap Furniture Oy was an associated company, while the Hirviset Oy

subgroup was a Group subsidiary for the entire period 1-3/2006 and also in 4/2006. In the period 5-9/2006 Incap Furniture was considered a subsidiary based on potential voting power and in the period 10/12/2006 as an associated company.

The business environment of the furniture has continued to be very challenging, and the result remains a loss. At the end of the review period, the area's order book excluding VAT stood at approximately EUR 7.4 million (EUR 4.9 million on 30 June 2006). Restructuring and efficiency improvement measures have been actively continued. On 30 June 2007, the segment employed a total of 329 people (333 on 30 June 2006). The Board of Incap Furniture changed in spring 2007, and the company appointed a new Managing Director who assumed his duties on 15 May 2007.

In June there was a fire at the group's Lestijärvi furniture factory whereby most of the production equipment was destroyed. The insurance processes are still open and ongoing. As a consequence of the fire, a total of EUR 1.1 million impairment of inventory and fixed assets has been recognised, but on the other hand insurance income for the equal amount has been accrued for, therefore, the fire has not affected the interim period profit. The fire may cause both direct and indirect consequences, the magnitude and effect of which are not known as of now.

As part of a change in management at Incap Furniture Oy, a subsidiary of Incap Furniture Oy acquired a number of shares in its parent company in late June, corresponding to 0.96% of all Incap Furniture Oy shares. These shares are only intended to be held temporarily by the Group. As a result of this transaction, Ruukki Group's holding has effectively increased by 0.7 percentage points to 71.0%.

The furniture business area's key figures for the review period were as follows:

MEUR	1-6/2007	1-6/2006	4-6/2007	4-6/2006	1-12/2006
Revenue	24.5	14.5	19.5	11.6	25.7
EBIT	-1.4	-1.3	-0.2	-0.7	-5.3
EBIT-%	-5.9 %	-8.7 %	-1.2 %	-5.8 %	-20.8 %

CARE SERVICES

The care services business area provides high-quality care and rehabilitation services for municipalities, cities, communities and businesses.

The business area's operations remained stable in the review period. The operations of the new units acquired and started up during the final quarter of the preceding financial year have substantially increased the business area's volumes. At the end of the review period, the business area employed 289 persons (140 on 30 June 2006). A merger was carried out at the end of the second quarter, in which a substantial part of the sub-group's companies were merged with Mikeva Oy. The business area has service unit in twenty locations, and the combined number of these unit's customers was about 480 at the end of the first half.

The comparable increase in the revenue of the care services business area was approximately 38%, when eliminating the effect of the acquisition of Terveyspalvelut Mendis Oy during the 2006 financial year. Correspondingly, the comparable change in operating profit is about -19%.

The key figures for the care services in the review period were as follows:

MEUR	1-6/2007	1-6/2006	4-6/2007	4-6/2006	1-12/2006
Revenue	8.0	4.0	4.1	2.0	9.8
EBIT	0.3	0.4	0.1	0.1	0.6
EBIT-%	4.1 %	9.8 %	3.4 %	5.0 %	6.2 %

OTHER OPERATIONS

The volume and profitability of the Ruukki Group's metal industry business operations have been at the same level as in the comparison period of last year: in the period 1 January - 30 June 2007, the metal industry sub-group's revenue were EUR 4.0 million (EUR 3.9 million in 1-6/2006) and operating profit EUR 0.0 million (EUR 0.2 million in 1-6/2006). As from the 2007 financial year, the metal industry business area is not reported as a separate segment.

Ruukki Group Plc also has, both directly and through its subsidiaries, minority holdings in a number of Finnish businesses. Associates have been consolidated in the consolidated financial statements by applying the equity method. The combined profit effect of associates, excluding the effect of Incap Furniture Oy that is presented as part of the furniture business area and Oplax Oy presented within sawmill business, was approximately EUR 0.1 million positive for the first half of 2007.

OUTLOOK FOR THE FUTURE

The company's Board has decided to focus the Group's business more intensively on wood-based operations so that the future industrial operations and investments will be focused on Russia in particular and on a substantially larger scale than before. Considering the Group's size, the planned projects, particularly relating to the planned pulp business, are extremely large and entail a number of different kinds of risks.

With the current business structure the Group's revenue in 2007 is expected to be close to EUR 200 million. At the same time, the Group's euro-denominated operating profit for 2007 is expected to exceed that of 2006, without taking into account the expenses arising from the Kostroma projects. The expectations are based on the estimates calculated by group's and subsidiaries' management, on market prognosis for various businesses and on the order book at the end of the review period.

Future outlook by business segment:

House building

- The sector is typically cyclical and has grown rapidly in recent years, although the production of detached houses has generally levelled off to some extent; this may have negative effect on the number of deliveries during next year, but the effects might be different in various subsegment and in various geographical areas
- The competitive situation may change especially in the production of ready-to-move-in houses, and affect the volume of marketing efforts and the average sales prices
- The situation with zoning and plots and any changes in these as well as changes in market interest rates will affect future growth potential in the sector
- Costs of production-related raw materials and goods and labour expenses have risen rapidly in recent times, and the situation is not expected to change substantially over the short term, which may have a negative impact on profitability
- Rises in market interest rates can cause the general level of house building activity to fall, which could have a negative effect on the short-term and long-term prospects of the business

Sawmill business

- The sawmill sector is typically cyclical, and cyclicality is expected to continue in the future as well
- After the positive markets and rapid hike in the sales price, the future market situation in medium-term is expected to be challenging in respect to maintaining the current sales price levels and output volumes
- The recent rise in stumpage prices for timber is expected to slow down or level off, but the proportion of raw material imported to Finland from Russia will probably decrease generally in the sector, which may have an effect on raw material availability and price in the future for Finnish sawmills
- The production capacity of the sector's different areas and its geographical distribution is expected to change, and the focus on new investments will probably be on Finland's neighbouring areas

Furniture business

- In 2007, the operating environment is expected to be very challenging due to the increased raw material costs
- The rationalisation measures carried out and the coming restructuring will have a substantial effect during 2007, but profitability will remain weak at least during 2007

Care services

- The care services business area is expected to grow both organically and through acquisitions

- The bidding competitions and service outsourcing from the public sector to private operators offer good growth opportunities for the field, particularly in elderly care and mental health services; additionally, demographic development will affect the demand for elderly care services in the coming years

- Availability of a competent workforce and pressures on personnel cost are factors that will slow down growth in the field, particularly in certain areas, and may also have an effect on the profitability of operations

BUSINESS RISKS AND CHANGES IN THEM DURING AND AFTER THE REVIEW PERIOD

No substantial changes have taken place in the competitive situation after the balance sheet date, but the competition in house building sector may be fiercer in the future. The announced upcoming changes to customs duties for timber from Russia may cause substantial changes with respect to the operators in, and structures of, the wood processing sector in Finland both in the short and long term, which is exemplified in possible reductions in pulp production, at least temporarily. These changes may have a substantial, though partly just regional, effect on the Group's risks related to house building, the sawmill business and the furniture business.

The price and availability risks related to raw materials are still essential, and their future development is difficult to forecast. Alongside the price and availability problems relating to timber, there have also been indications of quality problems on the Finnish market. If timber prices continue to increase, it will have a negative effect on the profitability of the Group's house building and furniture businesses. It may be more difficult to secure competent personnel in the future, a risk that can be seen in the care services sector, for example, in given geographical areas. Moreover, forest industry related logistics, procurement and subcontracting services may face risks to an increasing extent.

The recent strengthening of the euro in relation to a number of leading international currencies such as the U.S. dollar and the Japanese yen will weaken the Group's ability to compete with prices on export markets, if this change trend in currency exchange rates is a permanent one and unless the effects of currency exchange rates can be eliminated by price rises.

The interest rate risks related to the Group's loan financing have been somewhat increased and to some extent realised due to the rise of market rates and also because the Group's loan capital has increased after the review period particularly on account of financing an acquisition related to the Group's sawmill business area. Moreover, the consolidation of the furniture business in the Group at the end of February 2007 has significantly increased interest-bearing debt in the consolidated balance sheet. On the other hand, the Group's balance sheet structure has changed substantially as a result of the share offerings implemented in June-July, and the Group's net indebtedness will be negative before the capital in Russian investments is tied up to a substantial extent. In case there are essential changes in market interest rates or variation in the liquidity of interest rate instruments, it might have adverse effect on the value of the group's assets presented as cash equivalents.

There are permit risks and other process administration risks relating to the advance of the investment projects planned for Kostroma, Russia, which must be borne before the projects can be successfully completed. With respect to these risks, Ruukki Group's Russian projects have progressed in the planning process closer to implementation, as a result of which the weight of the various risks related to the Russian operations has increased. Furthermore, the organisation and gathering of needed know-how and employees will set additional new demands on Group operations, if and when the planned operations start. Additionally, the loan financing required for the planned Kostroma investments will increase the availability and interest rate risk related to the Group's financing substantially, and possibly lead to an increase in the gearing ratio over the longer term, especially if the pulp mill will be implemented as a chemical BKP mill. In addition to the above factors, key risks related to the Russian business are the general political risk related to Russia, the risk related to a successful and timely completion of permit, license and register projects, and the market risks related to the pulp sector – a sector that is new to the Group.

CHANGES IN PLEDGES AND CONTINGENT LIABILITIES DURING AND AFTER THE REVIEW PERIOD

During the review period, Group's interest-bearing debt has increased by a total of about EUR 28.1 million. The interest-bearing debt balance at 30 June 2007 totalled EUR 41.8 million of which EUR 16.2. was short-term debt and EUR 25.6 million long-term debt.

To finance an acquisition carried out during the review period, Ruukki Group Plc has drawn a EUR 4.5 million long-term loan from a financial institution. The loan has been covered by pledging the purchased subsidiary shares, and there are covenant terms relating to the loan both at the level of the Group and the acquired company.

The mergers and acquisitions made during 2007 have no additional purchase price obligations relating to them.

A change in the financing and ownership structure of the furniture business area has increased Ruukki Group Plc's direct liabilities, but at the same time reduced various guarantee liabilities relating to the business area, which means that the net amount of the parent company's financial liabilities has not changed materially. However, the Group's total liabilities increased substantially particularly due to the Incap Furniture transaction: On 30 June 2007, the Incap Furniture group had loans from financial institutions totalling approximately EUR 20.6 million, subordinated loans from outside Ruukki Group companies totalling approximately EUR 2.3 million and leasing liabilities totalling approximately EUR 2.8 million. Loans from financial institutions have been collateralised with company and property pledges and equipment, for example.

On 30 June 2007, Group companies had given company pledges as collateral for loans and other liabilities totalling approximately EUR 14.8 million (EUR 5.7 million on 31 December 2006). The total amount of property pledges is approximately EUR 4.1 million (EUR 2.2 million on 31 December 2006). The Group's parent company had given a total of EUR 4.8 million in direct-liability guarantees for the financing of Group companies (EUR 6.6 million on 31 December 2006).

On 30 June 2007, the net worth of forward exchange agreements in terms of nominal value totalled about EUR 0.9 million (EUR 1.9 million on 30 June 2006), and the related unrealised exchange rate gain was about EUR 0.2 million (0.3).

RELATED PARTY TRANSACTIONS

Salaries and other remuneration paid to the Board and management of the Group's parent company totalled approximately EUR 0.1 million during the review period. Additionally, salary expenses of EUR 0.1 million relating to the above persons' options and shares acquired through the bonus share offering were allocated for the period. In paid share offerings carried out during or after the review period, related parties or entities controlled by them have subscribed for a total of 44,217,038 new shares in the company. Additionally, after the review period a total of 300,000 new shares in the company have been issued to Matti Vikkula, who will later during the year take on the CEO position of Ruukki Group Plc, and these shares have a disposal restriction relating to them effective until 15 December 2008.

The group parent company paid a total of EUR 1.7 million in dividends to related parties between 1 January - 30 June 2007. Furthermore, group companies paid about EUR 1.1 million dividends to the related parties being minority shareholders of those companies.

During the review period, a related party subscribed for 1,561,000 shares with a convertible capital loan. Approximately EUR 3 thousand in interest expenses relating to the convertible capital loan were recognised for the related party.

Ruukki Group has paid a total of approximately EUR 8.2 million in acquisition-related earn-out payments to persons, or their related parties, belonging or having belonged to management of the Group's business areas relating to acquisitions made by the Group.

The parent company has approximately EUR 0.1 million in short-term receivables from a person belonging to the Group management or an entity controlled by this person.

LITIGATION

Ruukki Group Plc's appeals to and processes in the Market Court and the Helsinki Court of Appeal against Rautaruukki Corporation are still open and pending. The company and its Group companies have a number of legal disputes and mainly taxation-related administrative processes pending that might have negative effect on the group financial position if these processes would end up with additional expenses, taxes or other negative aspects.

CHANGES IN THE NUMBER OF SHARES AND SHARE CAPITAL IN 2007

changes in share capital	share capital increase (EUR)	number of shares after registration	Share capital (EUR) after registration
Share capital 31.12.2006		135,963,737	23,017,809.60
Conversion of convertible bonds (13.2.2007)	620,840.00	139,615,737	23,638,649.60
Free directed share offering (3.5.2007)	0.00	140,214,022	23,638,649.60
Conversion of convertible bonds (29.6.2007)	3,400.00	140,234,022	23,642,049.60
Paid directed share offering (29.6.2007)	0.00	270,234,022	23,642,049.60
Free directed share offering (6.7.2007)	0.00	270,534,022	23,642,049.60
Paid directed share offering(18.7.2007)	0.00	290,034,022	23,642,049.60

At the end of the above review periods, neither Ruukki Group Plc nor any of its subsidiaries held any shares in Ruukki Group Plc. At the end of June 2007, a subsidiary of Ruukki Group's furniture business area held approximately 1.0% of Incap Furniture Oy's shares.

On 30 June 2007, the number of registered Ruukki Group Plc shares totalled 270,234,022. Two changes in the number of shares were registered in July 2007: 300,000 new shares were issued and registered through a directed free share offering, and 19,500,000 new shares were issued through a directed paid over-allotment share issue. The convertible bond issued by the company in 2004 was entirely converted to company shares in the first half of 2007. The maximum dilution effect of the company's I/2005 option program is 2,700,000 shares on 14 August 2007. The company's Board has a share issue authorisation granted by the Annual General Meeting on 20 April 2007, based on which the Board decided in June 2007 to issue 300,000 shares. The unused authorisation thus stands at 24,700,000 shares. The authorisation is valid until 20 April 2009.

SHAREHOLDERS

On 31 July 2007, the company had a total of 4,542 shareholders, of which 13 were nominee-registered. The number of shares in issue on 31 July 2007 was 290,034,022

Largest shareholders, 31 July 2007:

	Shareholder	Shares	%
1	Nordea Pankki Suomi Plc nominee-registered	66,438,399	22.9
2	Nordea Pankki Suomi Plc	63,782,853	22.0
3	Oy Herttakakkonen Ab	41,075,297	14.2
4	Skandinaviska Enskilda Banken nominee-registered	40,234,794	13.9
5	Evli Pankki Plc	10,323,041	3.6
6	Svenska Handelsbanken Ab nominee-registered	9,948,155	3.4
7	Kankaala Markku	9,449,259	3.3
8	Hukkanen Esa	5,007,500	1.7
9	Procomex S.A.	4,629,215	1.6
10	Moncheur & Cie	2,795,489	1.0
	Total	253,684,002	87.5
	Other shareholders	36,350,020	12.5
	Shares total	**290,034,022**	**100.0**

CHANGES IN SHARE PRICE DURING THE REVIEW PERIOD

During the period under review, the price of Ruukki Group's share varied between EUR 1.18 (1-6/2006: 0.64) and EUR 2.80 (0.91). A total of 127,582,546 (43,628,324) Ruukki Group shares were traded in the review period, representing 47.2% (35.4%) of all shares registered at the end of the review period. The closing price of the company's share on 30 June 2007 was EUR 2.58 (0.85). The market capitalisation of the Group's entire capital stock of 270,234,022 (123,300,880) shares at the closing price on 30 June 2007 was EUR 697.2 million (104.8).

DISCLOSURES DURING OR AFTER THE REVIEW PERIOD

The Ruukki Group has received the following disclosures during or after the review period 1 January - 30 June 2007:

- Mandatum Securities Oy's ownership of the share capital and voting rights of Ruukki Group Plc exceeded one twentieth (1/20) on 2 January 2007.

- Mandatum Securities Oy's ownership of the share capital and voting rights of Ruukki Group Plc fell below one twentieth (1/20) on 16 March 2007.

- Nordea Bank Finland Plc's ownership of the share capital and voting rights of Ruukki Group Plc exceeded three twentieths (3/20) on 16 March 2007. At the time of this disclosure, Nordea Bank Finland Plc also announced that its ownership will fall below one tenth (1/10) as the forward contracts mature in April 2007.

- Nordea Bank Finland Plc acquired Ruukki Group Plc shares and made forward contracts concerning the shares on 20 April 2007, with the forward agreements maturing in June 2007, December 2007 and January 2008. As the forward contracts mature in January 2008, the ownership of Nordea Bank Finland Plc will fall below one twentieth (1/20).

- Evli Bank Plc's ownership of the share capital and voting rights of Ruukki Group Plc fell below one twentieth (1/20) upon the transaction made on 21 June 2007.

- Markku Kankaala's ownership of the share capital and voting rights of Ruukki Group Plc fell below one twentieth (1/20) upon the transaction made on 21 June 2007.

- Oy Herttakakkonen Ab's ownership of the share capital and voting rights of Ruukki Group Plc fell below one fifth (1/5) as a result of the share issue decisions and share subscriptions made on 21 June 2007.

- The combined ownership of Helsingin Mekaanikontalo Oy and Procomex S.A. of the share capital and voting rights of Ruukki Group Plc fell below one quarter (1/4) as a result of share issue decisions and share subscriptions made on 21 June 2007. At the same time, Helsingin Mekaanikontalo Oy announced that its ownership of the share capital and voting rights of Ruukki Group Plc fell below one tenth (1/10).

- Nordea Bank Finland Plc's ownership of the share capital and voting rights of Ruukki Group Plc fell below three twentieths (3/20) upon the share lending agreement made on 25 June 2007. As the forward contracts mature in January 2008, the ownership will fall below one twentieth (1/20).

- JPMorgan Chase & Co has announced that its subsidiaries have acquired 12,666,818 Ruukki Group Plc shares in a share issue commencing on 25 June 2007. JPMorgan Chase & Co's ownership of the share capital and voting rights of Ruukki Group Plc fell below one twentieth (1/20) as a result of the transaction.

- Nordea Bank Finland Plc's ownership of the share capital and voting rights of Ruukki Group Plc has, upon the share transaction made on 26 June 2007 and considering the share lending agreement concerning 9,500,500 Ruukki Group Plc's RUG1V shares made on 25 June 2007 with a value date of 29 June 2007, exceeded three twentieths (3/20). Upon the maturity of the forward contracts maturing in December 2007, the ownership will fall below three twentieths (3/20). Upon the maturity of Ruukki Group Plc's forward contracts in January 2008, the ownership will fall below one tenth (1/10).

- Nordea Bank Finland Plc announced on 16 July 2007 that its ownership of the share capital and voting rights of Ruukki Group Plc has exceeded one fifth (1/5). Upon the maturity of forward contracts maturing in December 2007, the ownership of Nordea Bank Finland Plc will fall below three twentieths (3/20), and upon the maturity of forward contracts maturing in January 2008 the ownership will fall below one twentieth (1/20).

- Moncheur & Cie SA (registration number 660.0.096.997-7, Geneva) and Pierre Moncheur announced in August that as a result of share transactions concluded on 27 June 2007, the combined ownership of Moncheur & Cie SA, Pierre Moncheur and their controlled or related parties in Ruukki Group Plc now represents less than one twentieth (1/20) of the share capital and voting rights of Ruukki Group Plc.

FINANCIAL DEVELOPMENT BY SEGMENT, SUMMARY

MEUR	Revenue 1-6/2007	Revenue 1-6/2006	Revenue 4-6/2007	Revenue 4-6/2006	Revenue 1-12/2006
House building	28.1	25.3	14.0	11.3	53.7
Sawmill business	29.2	12.8	16.6	6.4	27.8
Furniture business	24.5	14.5	19.5	11.6	25.7
Care services	8.0	4.0	4.1	2.0	9.8
Other operations	4.1	4.4	2.2	2.3	8.8
Eliminations and unallocated items	-0.9	-0.1	-0.3	0.0	-0.4
Group total	**93.0**	**60.8**	**56.2**	**33.7**	**125.5**

MEUR	EBIT 1-6/2007	EBIT 1-6/2006	EBIT 4-6/2007	EBIT 4-6/2006	EBIT 1-12/2006
House building	5.6	6.6	3.0	3.1	13.4
Sawmill business	4.0	0.7	2.2	0.2	1.4
Furniture business	-1.4	-1.3	-0.2	-0.7	-5.3
Care services	0.3	0.4	0.1	0.1	0.6
Other operations	-3.4	-0.7	-2.2	-0.2	2.9
Eliminations and unallocated items	0.3	-0.4	0.3	-0.1	0.1
Group total	**5.4**	**5.4**	**3.3**	**2.5**	**13.0**

%	EBIT-% 1-6/2007	EBIT-% 1-6/2006	EBIT-% 4-6/2007	EBIT-% 4-6/2006	EBIT-% 1-12/2006
House building	19.8 %	26.1 %	21.4 %	27.8 %	24.9 %
Sawmill business	13.8 %	5.7 %	13.5 %	3.7 %	4.9 %
Furniture business	-5.9 %	-8.7 %	-1.2 %	-5.8 %	-20.8 %
Care services	4.1 %	9.8 %	3.4 %	5.0 %	6.2 %
Group total	**5.8 %**	**8.8 %**	**5.8 %**	**7.5 %**	**10.4 %**

* Other operations includes approximately EUR 0.4 million in non-recurring sales gains recognised as a result of ownership changes in Group companies during the review period of Q1/2006 (the ownership change in the house building business area is included in the income statement under Other operating income) and approx. EUR 0.6 million in non-recurring sales loss (Metal industry, Operating expenses).

* The furniture business area's EBIT margin is only indicative in nature, because EBIT also includes the share of profit from the period of minority ownership, but the revenue from the corresponding minority ownership period is not included.

GOODWILL BY SEGMENT, EUR MILLION

	30 Jun 2007	%	30 Jun 2006	%	31 Dec 2006	%
House building	19.5	56 %	17.8	62 %	19.3	62 %
Sawmill business	6.4	18 %	4.5	16 %	4.8	15 %
Furniture business	1.7	5 %	1.5	5 %	0.0	0 %
Care services	5.7	16 %	3.5	12 %	5.7	18 %
Other operations	1.5	4 %	1.4	5 %	1.4	4 %
TOTAL	**34.8**	**100 %**	**28.7**	**100 %**	**31.2**	**100 %**

CONSOLIDATED INCOME STATEMENT SUMMARY

1.000 EUR	1 Jan - 30 Jun 2007 6 months	1 Jan - 30 Jun 2006 6 months	1 Apr - 30 Jun 2007 3 months	1 Apr - 30 Jun 2006 3 months	1 Jan - 31 Dec 2006 12 months
Revenue	**93,006**	**60,764**	**56,214**	**33,678**	**125,460**
Other operating income	1,800	1,173	1,300	721	5,712
Operating expenses	-84,088	-54,656	-51,026	-30,673	-112,399
Depreciation and amortisation	-3,523	-1,780	-2,151	-1,263	-4,403
Share of profit of associates	-657	-145	79	56	-968
Impairment	-1,149	0	-1,149	0	-354
Operating profit	**5,389**	**5,356**	**3,268**	**2,519**	**13,048**
Financial income and expense	-564	-489	-447	-254	-891
Profit before tax	**4,825**	**4,867**	**2,821**	**2,264**	**12,156**
Income tax	-2,725	-1,879	-1,463	-888	-4,177
Net profit	**2,101**	**2,988**	**1,358**	**1,376**	**7,979**
Profit attributable to					
Equity shareholders	1,574	2,724	1,070	1,376	8,442
Minority interests	527	264	288	0	-464
Total	2,101	2,988	1,358	1,376	7,979
Earnings per share (counted from profit attributable to equity shareholders):					
basic (EUR)	0.01	0.03			0.07
diluted (EUR)	0.01	0.02			0.06

* During the review period certain Group companies recognised taxable profits and certain companies taxable losses. On the part of the loss-making companies, no deferred tax assets related to these realised losses have been recognised, either because the Group considers that there is no certainty whether these losses can be utilised in the respective company's income taxation in the near future, or because the possibilities of reconciliation of profit within the Group, for example, through Group contributions are limited due to ownership or for other reasons. This recognition practice is in line with principles applied previously by the Group, and for this reason the effective income tax rate in the consolidated income statement has been high.
* During the review period 1 January – 30 June 2007, approximately EUR 0.5 million impairment on inventory and about EUR 0.6 million one-off depreciation have been recognised due the fire in the production facility of the furniture business segment's subsidiary. Both of these items are presented as impairment in the table above. Correspondingly, the expected insurance compensation of EUR 1,1 million has been booked as other operating income.

CONSOLIDATED BALANCE SHEET SUMMARY

1.000 EUR	30 Jun 2007	30 Jun 2006	31 Dec 2006
ASSETS			
Non-current assets			
Investments and intangible assets			
Goodwill	34,829	28,667	31,237
Investments in associates	1,671	7,465	5,568
Other intangible assets	6,690	4,719	4,001
Investments and intangible assets total	43,190	40,851	40,807
Property, plant and equipment	34,633	31,852	15,855
Other non-current assets	825	383	528
Non-current assets total	**78,647**	**73,086**	**57,189**
Current assets			
Inventories	31,243	21,702	17,057
Receivables	26,457	14,931	9,805
Other investments	7,518	0	7,271
Cash and cash equivalents	307,892	26,966	24,768
Current assets total	**373,111**	**63,599**	**58,901**
Total assets	**451,758**	**136,685**	**116,089**
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	23,642	20,961	23,018
Share premium reserve	25,740	21,325	24,712
Revaluation reserve	757	0	0
Fair value reserve	17	0	0
Paid-up unrestricted equity reserve	295,104	0	424
Retained earnings	7,200	7,588	9,511
Shareholders' equity	**352,460**	**49,874**	**57,665**
Minority interest	**2,302**	**3,155**	**1,591**
Total equity	**354,762**	**53,028**	**59,256**
Liabilities			
Non-current liabilities	34,634	41,355	13,489
Current liabilities			
Deferred income	18,625	14,701	17,576
Other current liabilities	43,737	27,602	25,769
Current liabilities total	62,362	42,303	43,345
Total liabilities	96,996	83,657	56,834
Total equity and liabilities total	**451,758**	**136,685**	**116,089**

SUMMARY OF INTEREST-BEARING RECEIVABLES AND LIABILITIES IN THE CONSOLIDATED BALANCE SHEET

1000 EUR	30 Jun 2007	30 Jun 2006	31 Dec 2006
Interest-bearing receivables			
Current	7,305	113	7,271
Non-current	333	170	453
Interest-bearing receivables total	7,638	283	7,724
Interest-bearing liabilities			
Current	16,190	10,359	4,510
Non-current	25,594	30,382	9,205
Interest-bearing liabilities total	41,784	40,740	13,715

SUMMARY OF GROUP'S PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

1000 EUR	Property, plant and equipment	Intangible assets
Acquisition cost 1 Jan 2007	23,412	37,847
Additions	21,965	7,269
Disposals	0	0
Acquisition cost 30 Jun 2007	**45,376**	**45,116**
Acquisition cost 1 Jan 2006	16,056	34,020
Additions	21,532	3,162
Disposals	0	-2,614
Acquisition cost 30 Jun 2006	**37,588**	**34,568**

CONSOLIDATED CASH FLOW STATEMENT SUMMARY

1000 EUR	1 Jan - 30 Jun 2007	1 Jan - 30 Jun 2006 *	1 Jan - 31 Dec 2006
Net profit	2,101	2,988	8,442
Adjustments to net profit	5,521	1,560	10,794
Changes in working capital	-6,249	-1,222	-12,178
Net cash from operating activities	**1,373**	**3,326**	**7,058**
Acquisition of subsidiaries and associates	-5,543	-8,902	-13,401
Payment of earn-out liabilities and exercises of call options related to acquisitions	-7,167	-5,827	-8,875
Disposal of subsidiaries and associates	2,361	2,312	4,183
Capital expenditures and other investing activities	-2,651	-2,698	-3,203
Net cash used in investing activities **	**-13,000**	**-6,619**	**-12,421**
Share issues	293,967	21,218	21,218
Dividends paid	-5,154	-1,866	-3,146
Proceeds from borrowings	7,064	2,527	5,561
Repayment of borrowings, and other financing activities	-1,142	-1,116	-2,611
Net cash used in financing activities **	**294,734**	**20,763**	**21,022**
Net increase in cash and cash equivalents	**283,107**	**8,974**	**6,784**

* With the change in a mutual fund investment realised in Q1/2006 (EUR 8,579 thousand) presented in Change in liquid assets

** With the presentation method of the payments of additional purchase price liabilities and the implementation of previously agreed purchase options changed from the previous so that these are presented under Cash flow used in investing activities, while they were previously under Cash flow from/used in financing activities

STATEMENT OF CHANGES IN EQUITY

	Equity attributable to shareholders							Minority interest	Total equity
1000 EUR	Share capital	Share issue	Share premium reserve	Fair value and revaluation reserves	Paid-up unre-stricted equity reserve	Retained earnings	Total		
Shareholders' equity 1 Jan 2006	**14,584**	**4,340**	**2,144**	**9**	**0**	**3,380**	**24,457**	**0**	**24,457**
Bonus issue 1/2006	87		-87				0		0
Share issue 12/2005	1,190	-4,340	3,150				0		0
Share issue 3/2006	5,100		16,118				21,218		21,218
Minority interest generated by acquisition								2,891	2,891
Dividends paid, AGM 4/2006						-1,866	-1,866		-1,866
Net profit 1-6/2006						2,724	2,724	264	2,988
Equity component of convertible bonds and other changes in equity				-9		3,349	3,341		3,341
Shareholders' equity 30 Jun 2006	**20,961**	**0**	**21,325**	**0**	**0**	**7,588**	**49,874**	**3,154**	**53,028**
Free directed issue 10/2006					424		424		424
Conversions of convertible loans	2,057		3,387				5,444		5,444
Dividends paid, AGM 10/2006						-1,282	-1,282		-1,282
Net profit 7-12/2006						5,718	5,718	-728	4,991
Net change in minority interests generated by acquisitions and disposals								-836	
Equity component of convertible bonds and other changes in equity						-2,513	-2,513		-2,513
Shareholders' equity 31 Dec 2006	**23,018**	**0**	**24,712**	**0**	**424**	**9,512**	**57,665**	**1,591**	**59,256**
Free directed issue 4/2007					1,035		1,035		1,035
Share issue 6/2007					293,645		293,645		293,645
Dividends paid, AGM 4/2007						-4,079	-4,079		-4,079
Net profit 1-6/2007						1,574	1,574	711	2,285
Conversions of convertible bonds	624		1,028				1,652		1,652
Fair value generated by acquisitions				757			757		757
Fair value of investments				17			17		17
Equity component of convertible bonds and other changes in equity						194	194		194
Shareholders' equity 30 Jun 2007	**23,642**	**0**	**25,740**	**774**	**295,104**	**7,200**	**352,460**	**2,302**	**354,762**

* Expenses related to the March-April 2006 share issue have been retroactively presented in share premium reserve in the table above

Acquisition of Pohjolan Design-Sähkö Oy (house building), June 2007

In June 2007, the house building business area acquired a 70.1% holding in Pohjolan Design-Sähkö Oy (Ruukki Group's effective holding approximately 63.2 %), an electrical contractor company. If this acquisition had taken place with a corresponding holding already on 1 January 2007, this would have changed the consolidated figures reported by Ruukki Group for the review period 1 January - 30 June 2007 as follows: The consolidated revenue would have increased by about EUR 1,828 thousand (+2%), the consolidated revenue would have increased by about EUR 221 thousand (+4%), and the consolidated net profit would have increased by about EUR 175 thousand (all these figures compared with the review period figures reported by the Group).

The following assets and liabilities were recognised relating to the acquisition of Pohjolan Design-Sähkö Oy, also indicating the magnitude of the acquisition's balance sheet effect:

1.000 EUR	**Fair value of acquired assets**	**Book value before acquisition**
Intangible assets		
Intangible rights	2	2
Property plant and equipment		
Machinery and equipment	93	93
Other operations assets		
Inventories	687	662
Trade receivables	670	670
Other receivables	44	44
Accrued income	152	152
Marketable securities	316	302
Cash and cash equivalents	431	422
Total assets	**2,395**	**2,346**
Non-interest bearing liabilities		
Trade payables	52	52
Other liabilities	123	123
Accrued expenses	292	292
Deferred tax liabilities	13	0
Total liabilities	**479**	**466**
Net assets	**1,916**	**1,880**
Acquisition cost	1,524	
Net assets 15 June 2007 (70.1 %)	1,343	
Goodwill	**181**	
Cash flow effect:		
Consideration paid in cash	1,500	
Acquired cash and cash equivalents	-431	
Cash flow	**1,069**	

OTHER KEY INDICATORS

	Q2/2007 6 months 30.6.2007	Q2/2006 6 months 30.6.2006	2006 12 months 31.12.2006
Gross capital expenditure (EUR million)	26.1	24.7	14.3
% of revenue	28.1 %	40.6 %	11.4 %
Personnel, average	777	490	570
Personnel, at the end of period	942	649	452
Dividends (EUR million)	4.1	1.9	3.1
Dividend per share, EUR	0.03	0.02	0.03
Dividend per earnings, %			41.9 %
Effective dividend yield, %			2.5 %
Price to earnings (P/E), EUR	119.8	28.3	16.8
Lowest share price, EUR	1.18	0.64	0.64
Highest share price EUR	2.80	0.91	1.23
Average trade-weighted share price EUR	1.95	0.76	0.84
Market capitalisation (EUR million)	697.2	104.8	163.2
Share turnover (EUR million)	248.2	33.1	84.8
Share turnover, %	47.2 %	35.4 %	86.0 %

ACCOUNTING POLICIES

This Interim Report has been prepared in accordance with IAS 34. Ruukki Group Plc has applied the same accounting policies as in the 2006 financial statements, with the following exception. Based on a decision of the company's Board of Directors, the sawmill and furniture businesses have been reported as separate primary segments since the beginning of the 2007 financial year, rather than as the wood product industry segment as in the reporting for the 2006 financial year. The figures in the tables have been rounded off to one decimal point, which must be considered when calculating totals. The Interim Report data are unaudited.

This interim report is based on translation into English of a document written in Finnish. In case there would be any potential discrepancies, inconsistencies or inaccuracies, the Finnish version of the interim report shall prevail.

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