

## Ruukki Group Oyj: Ruukki group oyj quarterly report ruukki group

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-S hk Oy, long-term partner and supplier of this business segment, was acquired, mainly in order better manage and optimize the supply chain 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). 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 above table 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%. CARE SERVICES The care services business area provides high-quality care and rehabilitation services for municipalities, cities, communities and businesses.

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.

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 to 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.

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

AND ACQUISITIONS IN THE SECOND QUARTER Acquisition of Pohjolan Design-S hk Oy (house building), June 2007 In June 2007, the house building business area acquired a 70.1% holding in Pohjolan Design-S hk 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 EBIT 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).

## About the Author

From [www.kauppalehti.fi](http://www.kauppalehti.fi):

Weight Loss Site With A Difference! Free Weight Loss Center .Com provides lots of free weight loss articles, weight loss program, weight.

If you need help with an exercise program, go to Free Weight Loss Exercise Programs or Free Exercises. We also have started a new section.

Personalized exercise and diet programs to promote weight loss through healthy.

The following diet personality quiz is designed to help you identify a weight loss plan that meets your needs. Take the test and determine.

Free Diet and Weight Loss resources, including the support of a Buddy or Team of. With the Weight Loss Buddy Program and the support of your Weight.

Weight Loss Program. Weight loss programs and best weight loss diet plans. Help to lose weight fast, quick and free weight.

Get your free online diet journal and start tracking your foods, exercises, weight loss, and goals. Join over 2 Million FitDay members.

Our free diet channel includes weight loss recipes, weight loss tools and weight management advice. Join the EatingWell community and shop for EatingWell.

Source: <http://www.productsherbal.com>