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01010 JOIN THE SMART REVOLUTION



2017



Advanced solutions for profitable plywood and LVL production

Raute is a technology and service company that operates in the wood products industry worldwide. We operate as part of the wood-processing value chain. We provide the global wood products industry with the production processes required for the manufacture of veneer, plywood and LVL (Laminated Veneer Lumber) together with services for using and maintaining them.

We are the global market leader in our largest customer sector, the plywood industry. Our company also enjoys a strong market position in the LVL industry: more than half of the LVL manufactured in the world is produced on machines supplied by Raute.

We employ 700 experts in ten countries around the world. Our production units are located in Finland, Canada, China and the USA. Our sales and service network has a global reach. Raute is a financially sound Small Cap company with a family background, and the company's series A shares are listed on Nasdaq Helsinki Ltd.

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Net sales

MEUR 148.6

2016: MEUR 113.1

Operating profit

MEUR 11.6

2016: MEUR 8.6 Me

Order intake

MEUR 155

2016: MEUR 162

Order book

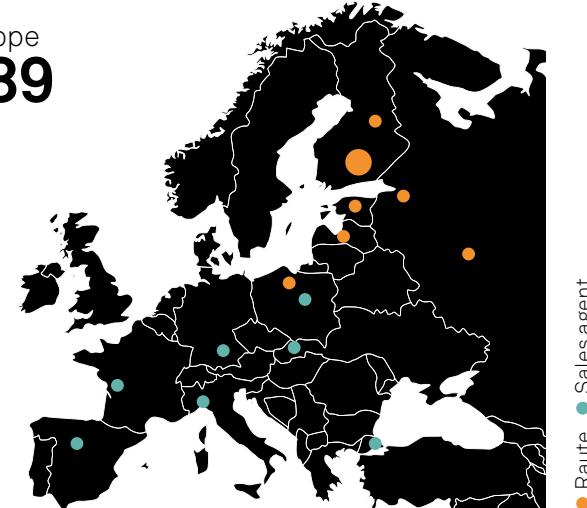
MEUR 110

2016: MEUR 106

Raute's operating areas and number of personnel on December 31, 2017



Europe
489





// Review by the President and CEO

Heading into 110th year of operations with an order book of EUR 110 million

//

Our growth in 2017 was broader than in previous years. Alongside major new-capacity projects, we experienced strong growth in replacement and improvement investments, as well as modernizations. In 2017, we set new records in net sales and in operating profit. We will celebrate our 110th anniversary by keeping up the good work.

Our strong development continued for the third year in a row. Entering into 2017 with a strong order book, we achieved 31 percent growth and set a new record in our net sales. In terms of the amount of orders received, we fell just short of last year's record high, but we can still be pleased with the EUR 155 million we achieved. Even without our major new-capacity projects, the fourth quarter of 2017 was one of the best in the company's history. The strength of our order intake is illustrated by the fact that, despite our record-high net sales, our order book grew and also reached an unprecedented level, at EUR 110 million.

The positive general economic trend that carried throughout 2017 accelerated towards year-end, despite the sustained uncertainty caused by political tensions. The drive to implement investments also grew. For Raute, this was reflected as growth in demand in North America and Russia, and, in Europe, as a stronger relative share for southern Europe. The strengthening of South America's and Asia's economies towards the end of the year has not yet translated into new orders for us.

Major new-capacity projects again played an important role in our order intake, in both the fourth quarter and the full year. A clearly larger proportion of our orders stemmed from mid-sized replacement and improvement investments and modernizations than before. This shows that our customers' situation and confidence in the future are good. In addition to mill projects, we proved our competitiveness both to our new customers and also in smaller-scale projects.

We continued with our strong focus on improving the competitiveness of our products and operations. We complemented our offering in April with the acquisition of Metriguard Inc.'s veneer and lumber grading technology business. It was Raute's first business acquisition in more than ten years. Alongside these new developments, we increased our investments in product development, our production capacity, quality and our employees' competence. The number of our personnel also increased, this time mainly in Finland.

Our operating profit grew 35 percent and our total of EUR 11.6 million is Raute's all-time best. We can be pleased with this result, and our hard work shows. It will bear fruit in the coming years. We can thank our main unit in Nastola, in particular, for our growth in net sales and thus our improved result. Our measures to boost the production capacity were highly successful. Our focus on quality and on developing our operations could be seen not only in our successful delivery capabilities, but also in our ability to carry out start-ups according to plan. The success of our machine vision and measuring technology continued.

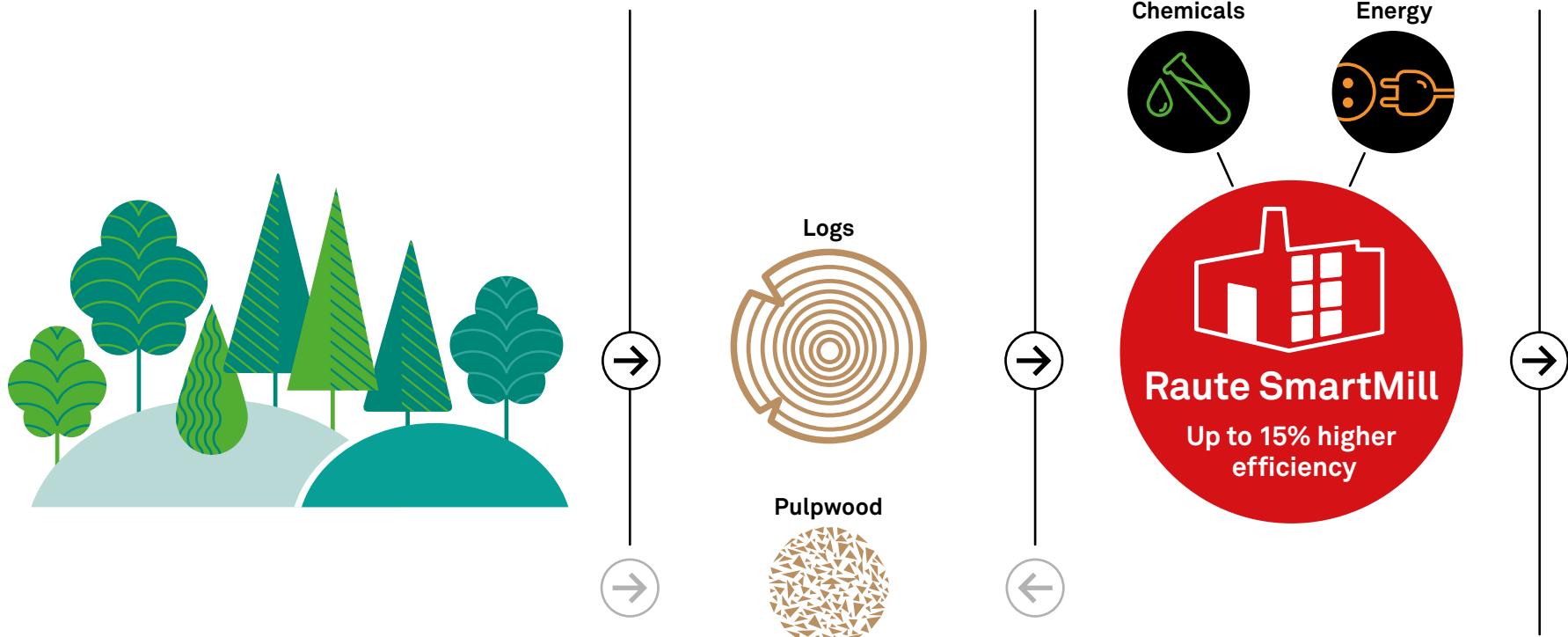
Raute turns 110 this year. We will celebrate this major milestone by keeping up the good work. We kicked off the year with a record-high order book, and 2018 already looks promising in terms of new orders. This means we can be confident that our positive development will continue and we will retain the high net sales and operating profit that we have achieved. We will, of course, still target improvements through our development projects

and investments. We have scheduled our record-high order book in a way that will enable us to continue to provide competitive delivery schedules to our customers in smaller-scale projects and services. In 2018, we are especially focusing on emerging markets, where we have set our sights on finding a back-up for industrialized markets when demand there begins to level off. In terms of larger new projects, we are already turning our gaze towards 2019.

I would like to express my sincerest thanks for the past year to everyone who made our success possible: to Raute's customers for their invaluable cooperation and trust, to our personnel for their outstanding work and strong commitment to executing major workloads, to our shareholders for their continued confidence in us, and to all our other partners for the part they played in furthering Raute's development and success.

Tapani Kiiski
President and CEO

Our products in the value chain



Sustainable forestry

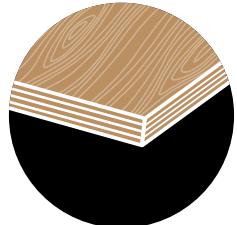
Wood is a sustainable, environmentally friendly, renewable and natural raw material that is enjoying strong growth worldwide, for example, in construction. We supply the wood products industry with machinery and equipment for the profitable and environmentally sustainable production of wood products.

SmartMill technology

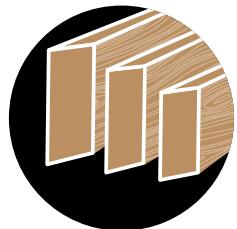
Our solutions cover the entire production process for plywood and LVL: log handling, peeling, drying, veneer handling, pressing, lay-up, and panel and billet handling.



Veneer



Plywood



LVL

Wood products

Veneer is a thin wood ribbon manufactured by peeling or slicing from a log.

Plywood is a panel of wood consisting of thin, cross-bonded veneers.

LVL (Laminated Veneer Lumber) is a wood product made of veneers glued with their grains parallel and then hot pressed; it is used in load-bearing structures.



End uses

The veneer, plywood and LVL produced by our customers are used mainly in construction and furniture-making and in the transport vehicle and packaging industries. By investing in our advanced production technology, wood products industry operators can boost their production, significantly reduce their consumption of wood, energy and chemicals and improve the quality of their end products.



1

Re-use

Items containing plywood and LVL can be repaired and re-used for the same purpose, or they can be repurposed.

2

Recycling

Plywood and LVL pieces can be recycled and used for a new purpose either in their current state or after being further-processed.

3

Energy use

Plywood and LVL that have reached the end of their useful life can be crushed and combusted in power plants.

Circular economy

After their useful life, all wood products can be recycled or used as a raw material in energy production. While the majority of wood waste in Finland ends up in energy production, in southern Europe, for example, recycled wood is an important raw material for the chipboard industry. The circular economy is transforming business models, and in the future, wood products will be increasingly recycled.

Raute SmartMill



Raute SmartMill

Up to 15% higher efficiency

Raute SmartMill enables mills to achieve maximum output throughout the production process; with the SmartMill concept, smart measuring equipment and digital services help to achieve a significantly improved raw material utilization ratio and production line availability.



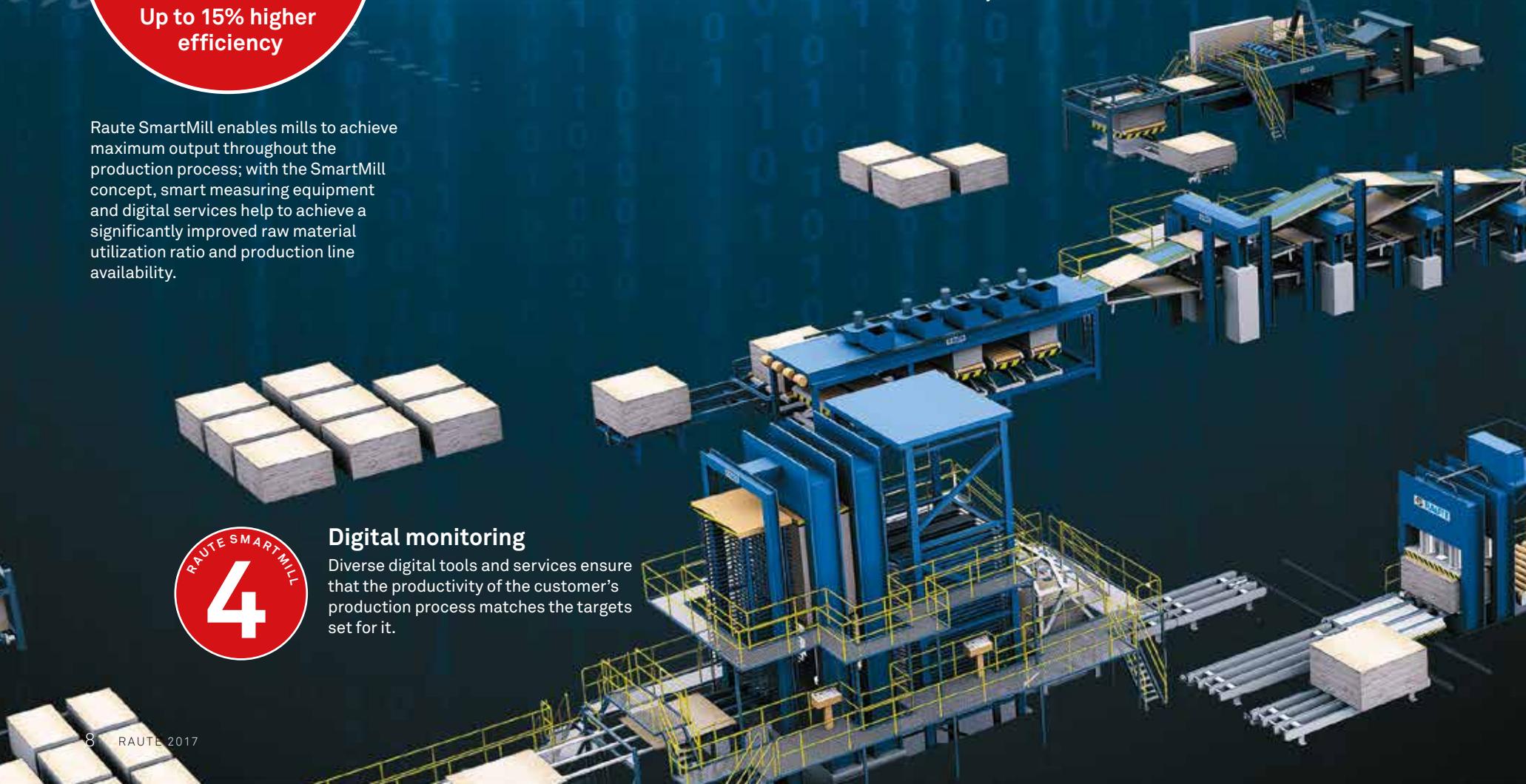
Digital monitoring

Diverse digital tools and services ensure that the productivity of the customer's production process matches the targets set for it.



Real-time data collection

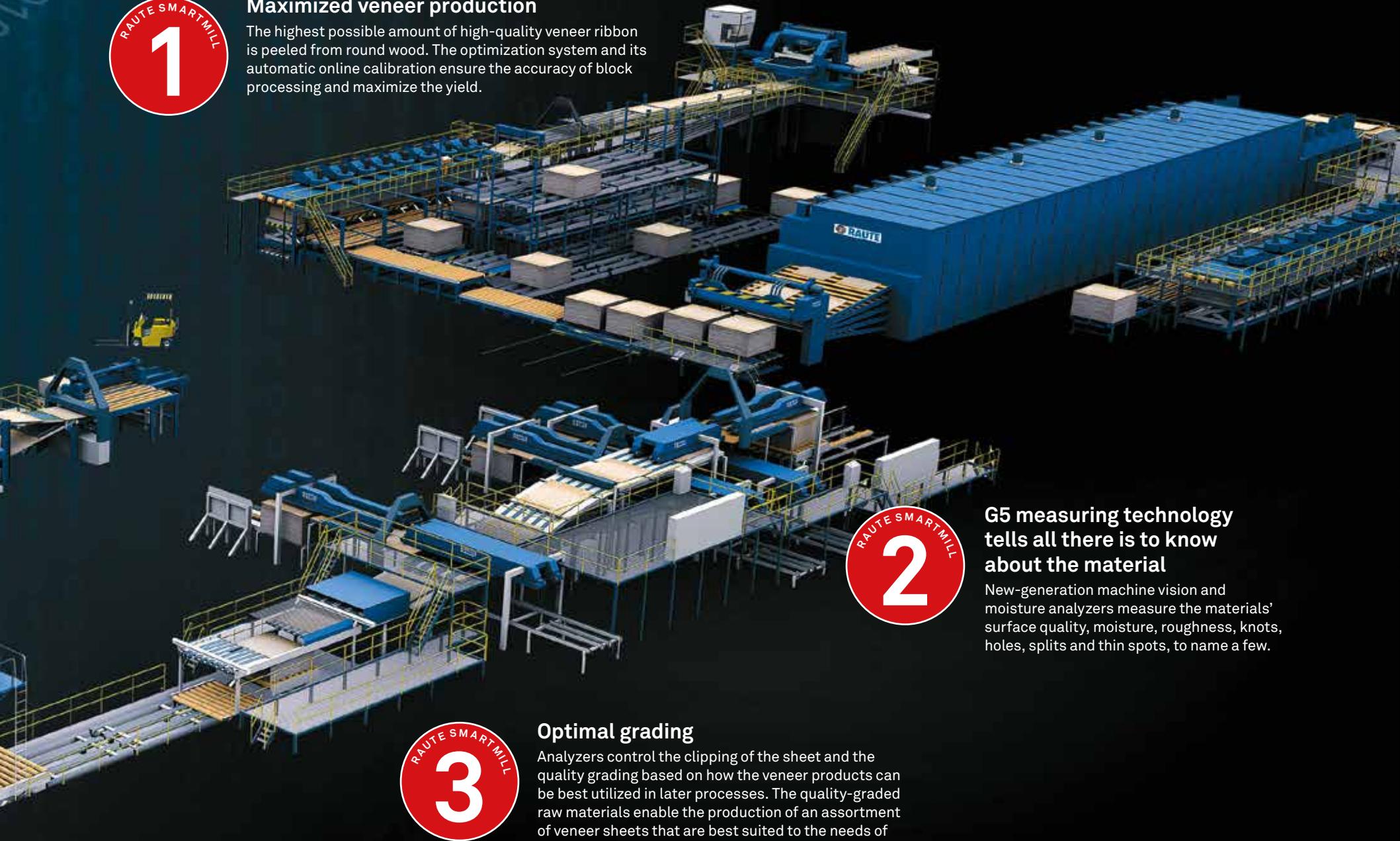
Raute SmartMill's real-time data collection system saves and provides detailed reports on the data collected during different stages of production. The operation of individual machines can be further optimized, and any possible deviations can be addressed quicker and with greater accuracy.





Maximized veneer production

The highest possible amount of high-quality veneer ribbon is peeled from round wood. The optimization system and its automatic online calibration ensure the accuracy of block processing and maximize the yield.



Optimal grading

Analyzers control the clipping of the sheet and the quality grading based on how the veneer products can be best utilized in later processes. The quality-graded raw materials enable the production of an assortment of veneer sheets that are best suited to the needs of the end products being produced at any given time.

Megatrends

Our solutions

Climate change

- End products made with our machines will store the carbon dioxide captured by trees from the atmosphere for decades to come.
- A high level of automation minimizes raw material waste and energy and chemical consumption in the customer's production process.
- Old production lines are modernized with electric, silent and low-energy solutions.



Economic trends

- We offer solutions that suit the different needs of our customers at different stages of development – globally.
- Dragon/Lite products increase automation and improve quality in emerging market production.
- In all solutions, special attention is paid to occupational safety and ergonomics.



Impacts on our sector

- Renewable raw materials and other renewable materials are becoming increasingly popular.
- Environmental awareness is increasing.
- Ever-greater focus on energy efficiency and emissions.
- Requirements for environmentally friendly production processes are growing.

- Urbanization is increasing construction in growth centers.
- Focus of demand is shifting to emerging markets.
- The rising standard of living is increasing housing-related consumption.
- The importance of automation is growing as quality, ergonomics and occupational safety requirements become more stringent and costs rise.
- Investment appetite in increasingly efficient and higher-capacity production processes is growing.

Availability of natural resources

- We actively study the characteristics of new plantation wood species and develop solutions for their processing.
- The quality and strength of wood products are maximized using new and advanced grading technologies.
- Raute's advanced plywood and LVL lay-up and gluing solutions save glue and natural resources.



- Development of a circular economy offers opportunities for even greater utilization of side streams and the re-utilization of products that are being taken out of commission.
- The competitiveness of construction materials based on renewable natural resources, such as wood-based materials, is improving.
- Use of plantation wood as raw material is on the rise.
- Requirements to improve the efficiency of raw materials and additives used in production are growing.
- Requirements to make more efficient use of production side streams is growing.

Technological development

- Mill-scale control and highly automated subprocesses ensure consistent product quality and overall efficiency of the production process.
- By making use of technology services made possible by digitalization at all stages of the process, the useful economic life of the customer's production can be extended.
- Advanced measuring technologies, and the measurement of the wood's shape, visual quality, moisture and density enable optimal use of customer's raw material.



The UN's Sustainable Development Goals – Agenda 2030 includes 17 main goals.

Raute supports the achievement of the goals in its own operations.



- Digitalization enhances production processes and enables new business models and services.
- More efficient use of raw material and other production factors.
- Demand for expert services is growing as automation and digitalization gain ground.
- Advanced properties of highly processed wood products make new end uses possible.
- Product standardization and quality requirements are increasing.

Digitalization enhances production processes and enables new business models and services.



Read more about the business environment
on Raute's website at www.raute.com

We serve our customers around the world with our advanced technology, automation and service expertise that covers the entire production process in the veneer, plywood and LVL industry. We also take care of the machinery and equipment in the plywood production process for their entire life cycle.

Today, our customer base comprises more than 300 mills and mill locations where we have delivered production lines, complete mills and line modernizations, in addition to offering our comprehensive maintenance service.

According to our estimates, the total value of new equipment investments in the industries we serve is approximately EUR 600 million a year in a normal economic situation. Our market share of all investments in production process machinery in the industry is, by our estimates, around 15 to 20 percent.

Raute around the globe



Share of Raute's new orders
54%
2015–2017

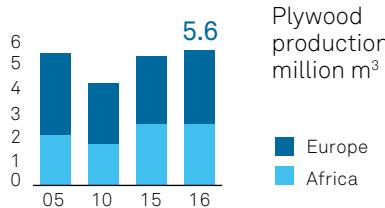
Europe's success story continues

For our customers in Europe, 2017 was the fourth year of exceptionally active investments. Growth in production capacity mainly took the form of single line or modernization deliveries.

The increase in raw material prices raised the significance of veneer quality and raw material yields and contributed to our technology sales in France and Italy. Our order volumes in southern Europe rose to a record high level.

The plywood markets in northern Europe also continued to grow, making replacement investments and significant modernizations possible in our existing customer mills in Finland, Sweden, Estonia, Latvia and Poland.

In 2017, we successfully added to our Europe strategy the expansion of our product offering to cover the revamped Lite concept's more affordable products, which are suited to smaller-diameter raw materials and smaller production volumes.



Plywood production million m³
Market area's share of global plywood production 2016
5%



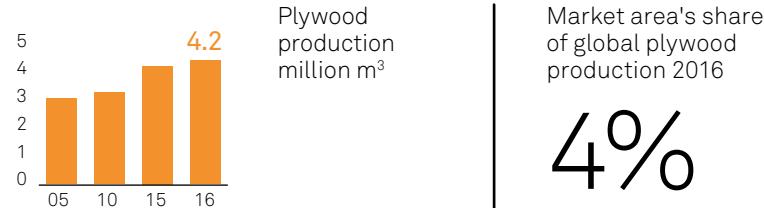
Share of Raute's new orders
23%
2015–2017

Nine years of sustained growth in Russia's plywood production

We are the market leader in Russia as a supplier of machinery, equipment and services for the plywood industry. We are also the only operator capable of delivering complete production facilities on our own. Thanks to our broad installed base, our technology services have significant growth potential in the Russian market.

In 2017, our customers eliminated bottlenecks in production, ordered new lines for, among other things, further processing, and trained their personnel. We received several single orders and modernization orders from the plywood and LVL industry in Russia.

Costly raw materials, an upgraded equipment base and maintaining competitive production costs demand high capacity utilization rates and raw material yield values. We aim to keep them high through efficient maintenance and spare parts service.



Plywood production million m³
Market area's share of global plywood production 2016
4%



Share of Raute's
new orders
1%
2015–2017

New challenges ahead for China's plywood industry

China is the world's largest producer of plywood. The production capacity of veneer and plywood has grown roughly 10 per cent year in the country in the past decade. Production has traditionally been performed mostly by hand and has been based on simple technology.

The trend that started at the end of 2017 reinforces the change in the plywood industry for the long term. In our view, the industry is targeting a higher degree of automation to save in labor costs, more advanced technology to improve the quality of end products and an improved production process to meet environmental standards.

We have been in China for a long time now, developing modern plywood solutions for the country's emerging markets and global plywood production. Our presence and input offer an excellent springboard for when the anticipated development, which has already been seen in other business sectors, takes off.

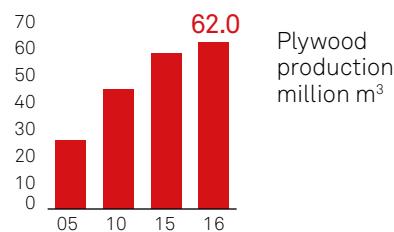


Share of Raute's
new orders
2%
2015–2017

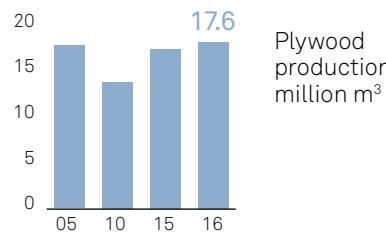
Development in Asia-Pacific steered by raw material availability

The general economic situation in the countries of Asia-Pacific headed in a positive direction in 2017, driven by growing economies. The favorable trend is expected to continue in the area in the coming years. The positive vibe in the wood products industry has not, however, reflected steady development. Particularly in Southeast Asia, raw material availability has become an increasingly key challenge.

We steered our operations in an increasingly service-driven direction in 2017 to support our long-term goals in the area. Drawing on our full technology and production process know-how, we improved the competitiveness of our offering to meet the needs of local industry. We expect our updated Raute Lite concept to create new business opportunities and to show in our order book as early as in 2018 and 2019.



Plywood production
million m³
58%



Market area's share
of global plywood
production
17%



Share of Raute's
new orders
16%
2015–2017

Plywood production continues to grow steadily in North America

North America is a major market for plywood and LVL. However, very few production investments have been made in this product area in recent years due to over-capacity in the market. Investments have targeted modernization projects and boosting existing production.

In the second half of 2017, we received a major order related to the implementation of a large-scale new investment in LVL capacity in the market.

Local machinery manufacturers and production automation experts have a solid foothold in domestic markets, and competition for what little investments there have been has been challenging. We have nevertheless succeeded in growing our local service business in the areas of maintenance and spare parts, as well as in production line upgrades, automation and modernizations.

We believe our operations in North America will develop favorably and will focus mainly on the service business.



Share of Raute's
new orders
3%
2015–2017

Export-driven plywood markets active in South America

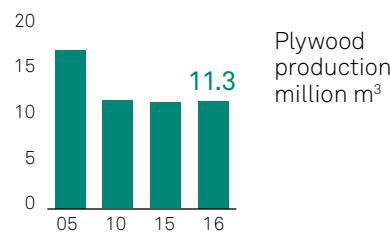
In South America, economic growth resumed following a two-year recession. For our customers, the turnaround was reflected as an improvement in plywood demand and prices.

The market is in need of state-of-the-art technology and simpler production lines. Brazil and Chile are the region's largest manufacturers of plywood. Our broad installed base in Chile guarantees a good foundation for developing and selling services covering the entire life cycle of the equipment. Our new digital remote services also offer opportunities for growth.

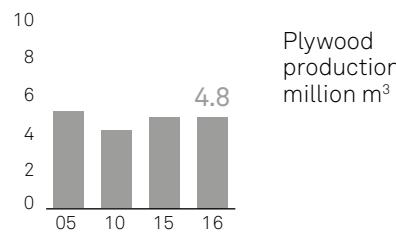
Brazil's plywood industry will need new and advanced technology to retain its competitiveness. For us, that means increased business opportunities.

We aim to be the main supplier in new mill projects, to expand our customer base to smaller mills by offering new technology and to grow our maintenance business

Information on plywood production: Indufor



Plywood production million m³
11%
Market area's share of global plywood production 2016



Plywood production million m³
5%
Market area's share of global plywood production 2016



Raute's virtual character Patchman represents the world's most advanced plywood manufacturing technology with an intelligent combination of the latest analyzers, automation and mechanical tools.

Patchman is named after Raute's first automatic veneer patching line.



Responsible technology and services for the manufacture of wood products

Our technology offering responds to the requirements and needs of our customers' entire production process. Our project deliveries include full-scope mill processes and the production machinery, separate production lines and individual equipment they encompass.

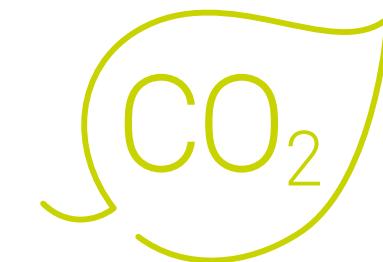
Our services cover the entire life cycle of the machines and equipment used in the production process. Our technology services include basic services, from spare parts deliveries to regular maintenance and modernizations. We also modernize our competitors' machines with our latest technology. Our expert services support our customers in both investment decisions and production development. We have supplemented our service offering with advanced digital services that allow us to provide our customers with parts of services efficiently and quickly over the internet – saving costs, time and the need for travel.

Our customers include veneer, plywood and LVL mills, the majority of which are relatively small private family companies. Some of our customers are part of major consolidated forest groups that manufacture not only plywood and LVL, but also products such as pulp, paper and sawn timber.

The growing popularity of wood construction has also led to increased investments in the manufacturing technology used for veneer-based products, especially in the developed markets of Europe and North America. Demand in these areas has focused on state-of-the-art technology, which is one of our major strengths.

Clearly lower emissions

From an environmental viewpoint, the attractiveness of wood products with a long lifetime is based on the renewability of the raw material and the continued storage of the captured carbon dioxide



Raute's wood technology as part of a low-carbon society

Over the past 25 years, Raute has delivered mill-scale veneer, plywood and LVL projects corresponding to an annual capacity of more than five million cubic meters. The products manufactured by these mills store an annual net volume of close to three million tons (0.59 t/m³*) of carbon dioxide, which is captured by the growing trees.

After the emissions generated by the production chain, the carbon dioxide stored in the products that are made in the mills manufactured by Raute corresponds to the emissions of up to 800,000 cars every year.

Sustainable forestry and long-lasting wood products are key enablers of a low-carbon society. Raute's full range of technology supports this development.

* Calculated using the Cradle-to-Gate life-cycle estimates of the environmental declarations for commercial plywood and LVL products in Finland and its neighboring regions. The fossil emissions generated in production are deducted from the carbon dioxide volume corresponding to the organic carbon stored in the product. The amount of carbon in one cubic meter of plywood or LVL corresponds to approximately 750-1,050 kg of carbon dioxide, depending on the tree species.

in the end products. The useful life of plywood and LVL can be as much as a hundred years. When abiding by the principles of sustainable forestry, a corresponding number of new trees grows in place of the harvested trees. The volume of carbon dioxide in the atmosphere decreases, and the carbon sink of a specific area of forest grows.

Depending on the species of tree and the quality of the wood, one cubic meter of plywood or LVL contains carbon equal to approximately 750 to 1,050 kilograms of carbon dioxide captured by trees. In a modern production chain, this volume exceeds many times over the volume of fossil carbon dioxide emissions arising during production. Rather than causing emissions, the use of plywood and LVL thus binds carbon from the atmosphere and, in turn, helps mitigate climate change. Binding solutions based on wood lignin will make the products entirely independent of fossil raw materials.

Major profitability and environmental benefits
One of the key goals of our product development has been to reduce customers' raw material waste and need for additives. We actively develop solutions to enhance the energy efficiency of customers' production processes and improve the utilization of by-products generated during the production process. The financial useful life of the installed machine base can be extended through technology services that cover its entire life cycle and through modernizations based on the latest technology. Services based on IoT technologies, for their part, are speeding up the adoption of our services and may substantially decrease the need for travel.

Many of our customers stress the importance of occupational safety. This is something we pay special attention to already in the product development phase and in the planning phase for

customer-specific line solutions. Occupational safety and ergonomics can also be improved through automation.

SmartMill for the benefit of our customers

Our SmartMill concept received a new pillar of support with the acquisition of the leading grading technology company Metriguard Inc. in April 2017. The integration of grading characteristics with Mecano's machine vision and moisture-measuring technology raises grading and optimization technology to an unprecedented level. The purpose of the SmartMill concept is to maximize the value yield in the panel manufacturing process by measuring the properties and quality of the raw material at several stages of the process, and to make process control decisions based on a combination of data. Thanks to technologically advanced sorting solutions, the highest-quality parts of the raw material can be used in products that will benefit most from their properties. State-of-the-art machine vision and grading technologies can help customers to substantially improve the quality of their products as well as the profitability of their business.

More efficient drying technology

For veneer sheets made of wood with a high moisture content, nearly all the water must be removed from the sheets before they can be made into panel and beam products. This takes place in the veneer drying machine, the part of the production process that consumes the highest amount of energy in the entire production plant. We remodeled the drying process using the latest and most advanced engineering and simulation methods.

The outcome is a new veneer drying machine that was designed in 2017 and whose performance has been verified through tests carried out on a prototype built at our product development center. In addition to a more efficient process, we have also

revamped the structures to meet current manufacturing methods and safety requirements, for example, in earthquake risk zones. Through these measures we have improved both the payback of our customers' investments and our own competitiveness.

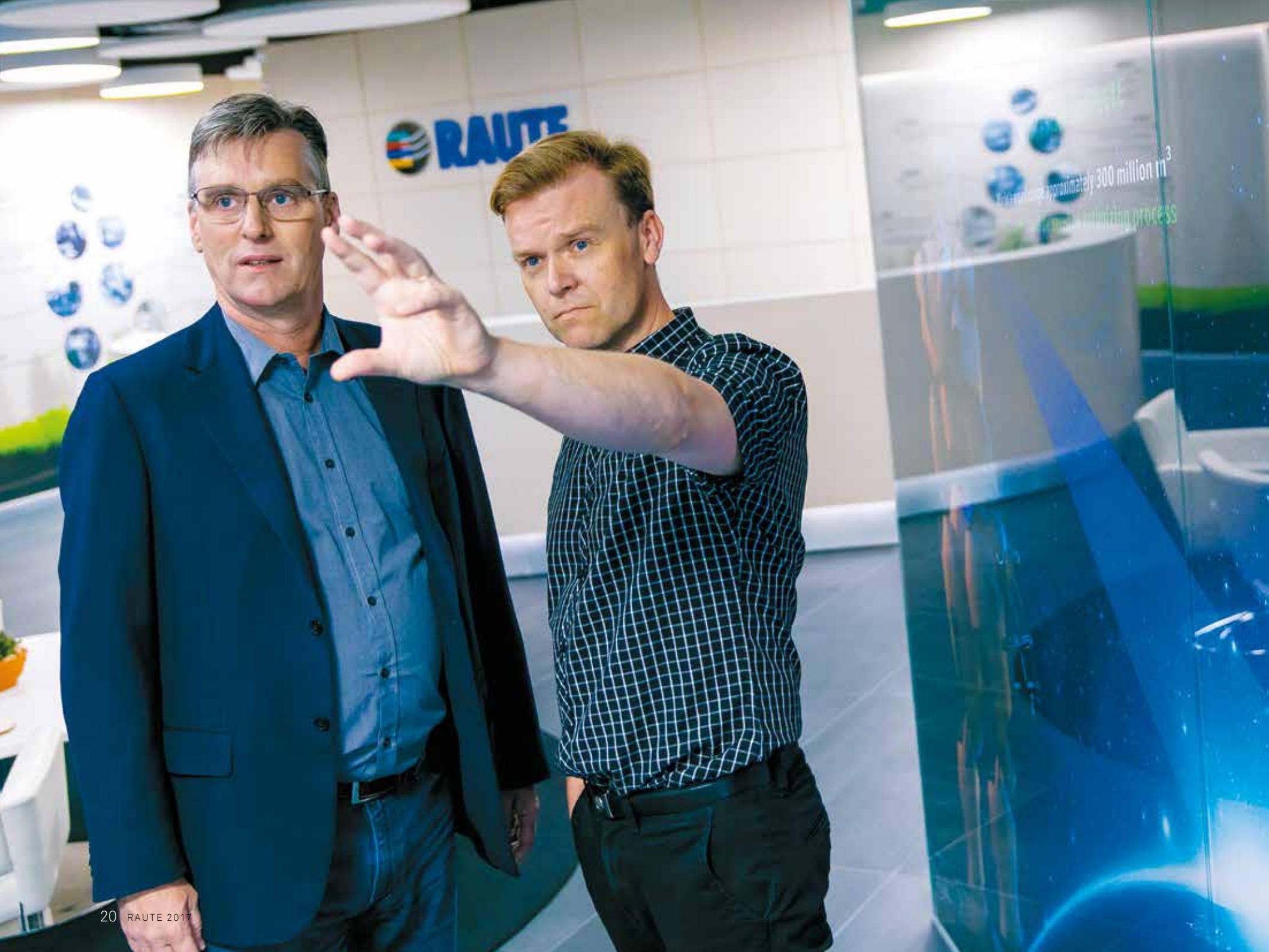
Longer life for old mills

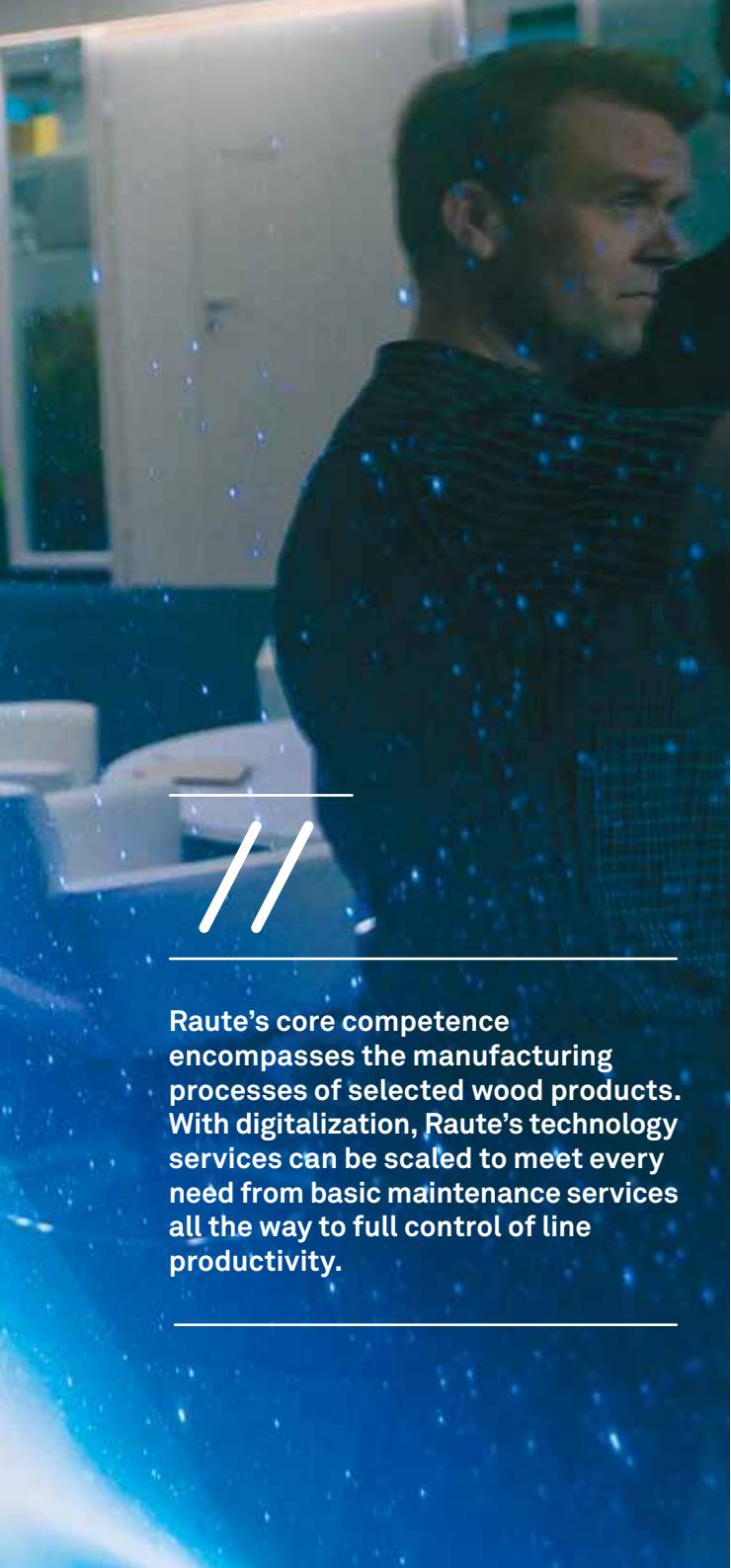
In addition to new production lines, we offer our customers a growing number of new modernization products that can extend the life cycle and efficiency of their production lines. Some modernization products are born by modifying and applying parts of existing products, and some products are developed especially for modernizations.

Some examples of modernization products that were completed in 2017 are harmonized new control systems and graphical user interfaces for lines; modern software platforms for old XY chargers to support the latest laser measuring equipment; a modernization product for old dryers for process control; and support equipment developed for two old types of lathes to improve yields.

Productivity for product portfolio management

In order to reinforce our position as a global technology leader, we have also developed our engineering and product management methods. We have bolstered our growth targets by investing in our IT systems, which enable us to speed up the lead times in our own production and foster collaboration in our various partner networks. In our product engineering, we have focused on developing the PDM/PLM system, the product portfolio management system and the feedback management systems, and their integration. In addition, a dynamic simulation environment has been introduced in our product development. We used it to present the Digital Twin simulator of our SmartPeel veneer lathe at the Ligna Trade Fair in Hannover, Germany, in 2017.





// Strategy

Cost-effective complete solutions according to customer needs

Raute's core competence encompasses the manufacturing processes of selected wood products. With digitalization, Raute's technology services can be scaled to meet every need from basic maintenance services all the way to full control of line productivity.

Our company's strategy boils down to our vision: *Raute offers profitable solutions and services for all customer needs.* Profitability is essential for the continuity and development of both our operations and those of our customers. Our complete solutions are a combination of advanced technology and services related to using that technology and developing and optimizing the customer's entire production process.

Profitability, adaptation and growth are the strategic goals

Our strategic goals are to improve our profitability and maintain it at a good level, to have the ability to adjust to variations in economic cycles, and controlled growth. Our financial goal is to grow faster than the markets, remain financially sound and offer our investors competitive returns.

As the actualization of our goals is strongly tied to the development of the global economy as well as the timing of our customers' individual investments, we do not disclose time-bound target values for our financial goals.

We are genuinely interested in our customers' needs. If we are to offer them profitable solutions, we must understand the bottlenecks in their processes and the criteria for implementing investments. By truly understanding our customers we can become the preferred supplier to a growing number of customers in more market areas. This means having a product offering that meets our customers' needs and helps them to succeed and develop their operations.

At their best, collaboration and understanding lead to a long-term partnership based on trust, where challenges are overcome and opportunities are seized together. Partnership with us includes the promise that we serve our customers for the entire life cycle of the investment, and that we will apply our technology also to modernizations of machinery delivered by our competitors. The life cycle of basic equipment can be extended by upgrading the equipment base.

As the markets evolve and technology moves forward, the proportion and importance of services grow; and digitalization increases the opportunities to develop the service offering.

Strategy implementation in 2017

In 2017, our strategic development projects focused on developing our product and service offering and our competitiveness. Our goal was to increase our market share and improve our profitability. Our strategic focus in 2018 is on competence and personnel development.

The cornerstones of our strategy are customer needs, growing technology services, operating on the emerging markets, cost-effective and high-quality operations and employees that are hungry for success. We review our strategic choices annually. Our company's management sets the focus, goals and main themes for the strategic development work. Through HR management, we ensure that all our employees understand our strategy and implement it in their work.



Customer needs

We launched the development of the Raute Lite concept and product family. Raute Lite is primarily aimed at growth- and development-driven customers in emerging markets and, in more mature markets, at smaller companies entering the industry as newcomers.

We continued to grow our contract-based maintenance service, and we successfully increased the number of lines covered by our maintenance contracts by a substantial number. We continued to increase resources in our local maintenance centers.

Our acquisition of Metriguard Inc.'s business in April 2017 supplements our offering in terms of high technology and expands Raute's technology offering to sorting solutions for the sawmilling industry.



Personnel and a hunger for success

We continued with the mentoring program that we launched in 2016. We also implemented the first phase of our Raute Leadership and Service Excellence programs. Both programs will continue in 2018 for new personnel groups.

At the end of 2017, we introduced the Raute-ACADEMY online learning environment for our own personnel training and for training services aimed at our customers. From now on, new Raute employees will be introduced to the company's values and Code of Conduct with the help of a digital learning environment.

The focus of personnel development expanded from reinforcing a quality-oriented mindset to developing occupational safety. We also succeeded in reinforcing our resources particularly in automation engineering.



Cost-efficiency and quality

Our largest production investment in 2017 involved our Vancouver plant. The new machining equipment boosts our capacity and our operations in our North American technology services business. The machinery investment in question was the largest in our North American production for more than ten years.

We further expanded the use of Lean methods in the production operations in Nastola, as well as in other functions at the Nastola unit. In product management, we continued the implementation of a process for boosting the reuse rates of tried and tested solutions in planning.



Emerging markets

We continued our efforts to enter the Chinese market. We launched new measures and renewed our organization pertaining to our Chinese operations. We have not yet, however, reached our goals there. We will revise our strategy in that area in 2018.

Our project aimed at tapping into the African markets has progressed according to plan, albeit a bit slower than anticipated in terms of customers and financing. The Raute Lite concept offers the perfect technological solution to that challenge.

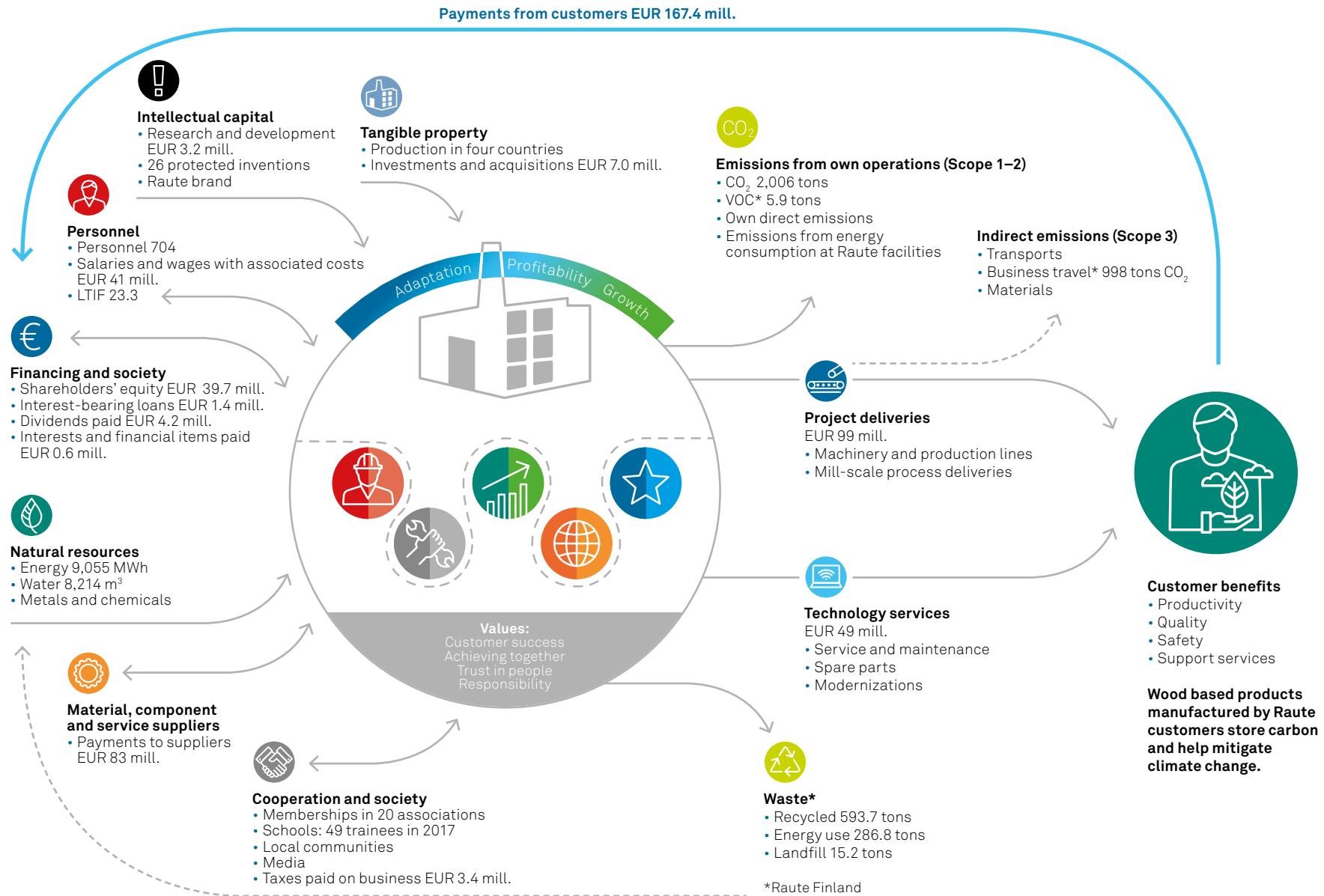


Technology services

We continued with the launch of our SmartMill concept based on the latest G5 machine vision and moisture analysis technology, which we introduced to the market in the fall of 2016. We delivered our 100th measuring device employing G5 technology in October 2017.

We launched a technology service operation based on digital remote services with a selected customer group.

Strategy implementation creates value for stakeholders





Our key responsibility topics



We help our customers succeed
Lifetime partnership with customers



We continuously improve work safety
Health and safety



We highlight the eco-friendliness of wood products
Sustainable product and service solutions



We hunger for success
Competence development



We respect our principles
Sustainable supply chain and business ethics



We continuously reduce our environmental impacts
Environmentally efficient production



We are in this together
Stakeholder engagement and local communities

For Raute and Raute's close stakeholders, these responsibility topics are among the most important aspects related to sustainable development. The economic, social and environmental impacts of Raute's operations were analyzed to define the aspects, and the aim was to identify issues where Raute can best promote the principles of sustainable development.

// Responsibility

Values and strategy in line with responsible management

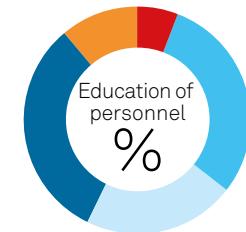
Responsibility is one of the fundamental values that guide our operations. We aim to systematically develop the environmental soundness of our products and services and to reduce the environmental impacts of our operations. We abide by the principles of good corporate citizenship by taking into consideration nature and its protection, and how society as a whole operates, and by respecting local cultures and valuing diversity. Our Code of Conduct tells our personnel about Raute's requirements and expectations concerning responsible and ethical operations.

In 2017, we examined the materiality analysis of the company's most important responsibility topics from the perspectives of personnel, investors and customers. Company management set targets for the most important responsibility topics, and the monitoring of these targets will be integrated into management's reporting in 2018.

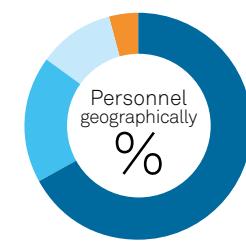


Raute supports and respects the principles of the UN's Universal Declaration of Human Rights. We recognize the fundamental rights at work as defined by the International Labor Organization ILO, including the freedom of association, the right to collective bargaining, the abolition of forced labor, and equal opportunities and treatment of employees. Our company has zero tolerance for corruption, bribery and money laundering. Raute does not engage in business involving corruption, bribery or money laundering. We prevent risks related to the above through training and by actively monitoring compliance with our company's Code of Conduct. We also aim to minimize the risk of fraud our company is exposed to by means of continuous monitoring and by developing our systems and practices.

In 2017, we defined a common Supplier Code of Conduct, which will be included in all new supplier and subcontractor agreements. We minimize risks related to our supply chains through efficient monitoring and by actively auditing our suppliers.

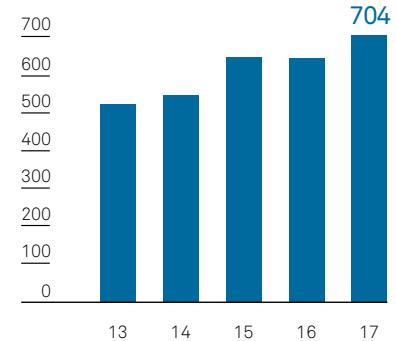


Basic education 5%
Vocational school 31%
College 19%
University of applied sciences 31%
University 14%



Finland 67%
North America 18%
China 11%
Others 4%

Number of personnel



Skilled employees are our strength

Ambitious, skilled and target-oriented employees are our company's most important resource. That is why we place the highest priority on the continuous development of our employees' professional skills. This helps us to ensure the successful execution of our strategy – now and for years to come.

In 2017, the number of our personnel increased 9%. We expanded our business into a new technology, and along with the acquisition of Metriguard, our employee numbers in the USA grew by 24. Turnover of people leaving the company decreased to 16.9% from 18% previous year.

In 2017, we adopted a new online learning system that allows all our employees to broaden their knowledge and develop their competence on their own terms. In the first phase, all internal training related to our Code of Conduct takes place through the system.

In 2017, we worked closely with different educational institutions and science communities in the form of internships, theses, projects and corporate visits. The educational institutions were mainly technology and commercial schools, as well as universities and polytechnics. We employed a total of 49 interns, who worked in delivery control, assembly, engineering and product development, among other areas.

We also continued our mentoring program in 2017. The aim of the program is to transfer valuable tacit

704
Raute personnel
at Dec. 31, 2017

22.6%
average turnover

9.1
average years
of service



24,577
training hours

4,974
mentoring hours

10% women

knowledge and skills from senior employees to younger employees. Last year a total of 22 mentoring pairs participated in the program. Teams of junior and senior employees have also been found to be an excellent way to come up with completely new ways of doing things.

We implemented other types of training based on identified training needs. The customer service program "Service Excellence," and "Site", related to working at building sites, were among the significant training programs we held in 2017. Dozens of Raute employees working in the customer interface took part in these programs. We also

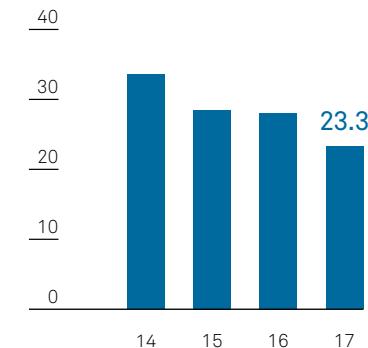
organized a five-day global management training program aimed at, among other things, developing managers as coaches, as givers of feedback and as challengers. The program served as a pilot for the training program starting up in 2018.

According to the employee satisfaction survey carried out in 2017 among the company's personnel in Finland, 88 percent of personnel are very satisfied or quite satisfied with their workplace. Additionally, 96 percent of personnel would recommend or have already recommended Raute as a workplace to friends or others.

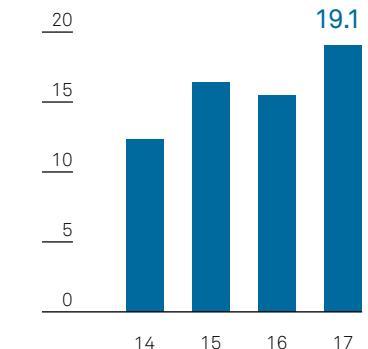


All accidents can be
prevented if sufficient
care is taken.

Raute LTIF
(per million work hours)



Raute Finland LTIF
(per million work hours)



Aiming for a clear reduction in accidents

We aim for an increasingly better, more productive and safer work environment. Our long-term goal is to one day have an entirely accident-free work environment. At the Group level, our short-term goal is to achieve fewer than 10 accidents leading to absence from work for every million hours worked.

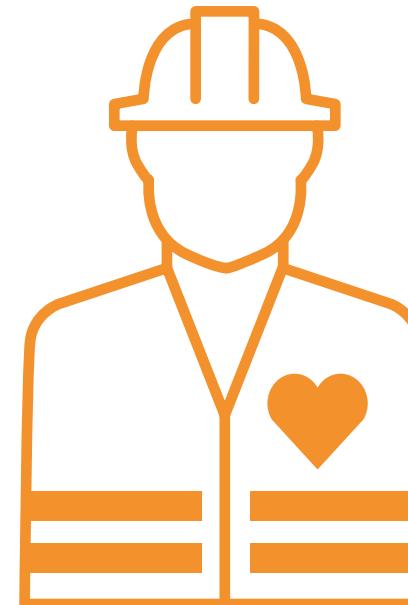
Typical accidents in our line of business are, for example, a tool or item that is being machined slipping, breaking or falling and causing injuries to a person's limbs. Tripping or falling is also a common cause of an accident. We require the use of appropriate safety gear for the task at hand, and all new employees are familiarized with occupational safety matters.

Keeping working spaces clean and organized can influence and prevent accidents. What is most important is for all employees to have the right attitude to occupational safety: all accidents can be prevented if sufficient care is taken.

In 2017, we improved occupational safety monitoring at our own plants, as well as in work we commissioned from outside parties. For the first time, key occupational safety indicators were calculated at group level for our North American and Chinese plants, using similar principles as those

28
Lost time injuries
(LTI)

99
safety observations



<10
LTIF* (goal)
Raute Group

23.3
LTIF Raute Group

603
lost work days

used to monitor accidents in Finland. In Finland, we continued to routinely rectify factors causing safety risks using our safety observation system.

In 2017, the number of accidents leading to absence decreased within the Raute Group, but increased in the company's Finnish operations, despite measures to improve occupational safety. The Group's LTIF figure was 23.3 (2016: 28.1) and for the Finnish

operations it was 19.1 (2016: 15.5). We are not satisfied with the current level of the safety indicators, and we aim at a clear reduction in the number of accidents already in the short term.

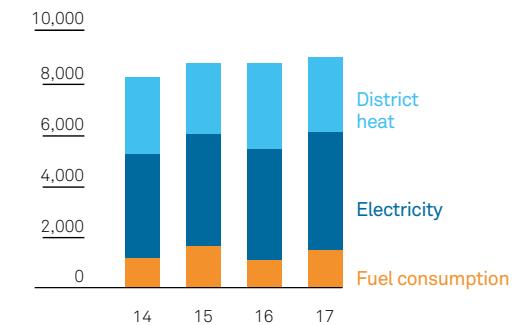
* Lost Time Injury Frequency (LTIF): Accidents leading to absences lasting at least 1 day for every million working hours. The indicator reported for Finnish operations has been adjusted after some previously unrecorded accidents were identified in the review of accident reporting process.



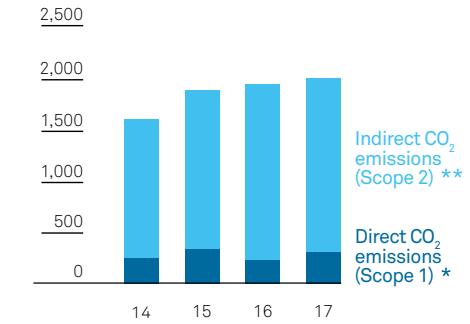
Raute's most significant environmental deed is to enable the efficient use of renewable raw materials.



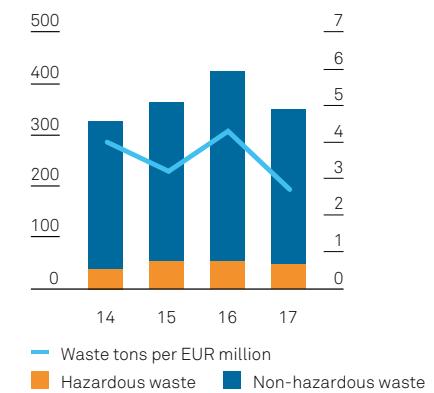
Raute Group energy consumption, MWh



Raute Group Scope 1–2 emissions, tons CO₂e



Waste indicators Raute Finland, tons



Environmentally efficient operations

Raute's Nastola operations are certified according to the ISO 9001 (Quality) and ISO 14001 (Environment) management standards. The company follows the principles of continuous improvement, which aims for the continuous reduction of environmental impacts, and the identification and elimination of risks. Raute's environmental management program sets goals for example for improving energy efficiency, reducing waste and managing chemical safety.

Environmental reporting for production units outside of Finland was developed further in 2017. This section contains the energy and water consumption data for all Raute production units. Data on waste volumes is presented only for Finnish operations.

Energy consumption and emissions

The Group's energy consumption* in 2017 amounted to 9,055 MWh (2016: 8,832 MWh). Raute is part of the Confederation of Finnish Industries' energy efficiency agreement also for the 2017–2025 period. In 2017, Nastola's assembly hall completed the conversion to LED lighting, and the heating method for the last oil-heated building on the property was changed to district heating. The first charging points for electric cars were installed in the employee parking lot. The energy efficiency of operations, calculated as energy consumption per hours worked, improved 5.6% from 2016, as the number of working hours grew proportionately more than energy consumption.

Carbon dioxide emissions** from Raute's own operations totaled 2,006 tons (2016: 1,953 tons). The VOC



Energy consumption
9,055 MWh

Scope 1-2 CO₂
2,006 tons

Water consumption
32
liters/employee/day



Energy efficiency
7.6 kWh
/work hour

Waste
-17.3%
(Raute Finland not including recyclable metal)

emissions of Nastola's painting facility amounted to 5.9 tons (2016: 4.7 tons). Growth in emissions was caused by increased production volumes.

Waste

Waste in Raute's Finnish operations amounted to 350.4 tons (2016: 423.5 tons), not including recyclable metals. Of that amount, hazardous waste accounted for 46.8 tons (2016: 52.2 tons). The volume of waste relative to the parent company's net sales was 2.7 tons/EUR million. The reduction in waste volumes is primarily due to the higher-than-normal waste volumes resulting from the cleaning and renovations that took place on the Nastola premises

in 2016. Roughly two thirds of the waste generated by Raute in Finland is recycled, and nearly a third is used as fuel for energy. Some 2% of all waste is disposed of in landfills.

Water consumption

Raute's production operations do not involve processes that consume high volumes of water. The Group's water consumption amounted to 8,214 m³, or approx. 32 liters/employee/day.

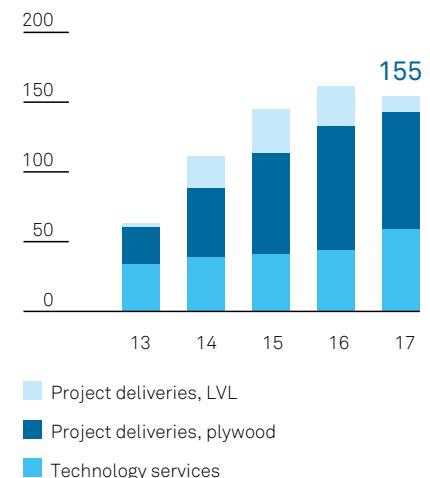
* Greenhouse Gas Protocol Scope 1-2 energy consumption. Includes energy consumption of fuels, electricity and district heat used in the company's own operations.

** Greenhouse Gas Protocol Scope 1-2 energy consumption emissions, calculated using the statistical emission factors produced by local energy companies.

Financial review 2017

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Order intake by product area, EUR million



Business environment

No major changes in the general situation. Positive development strengthened in the key market areas. Although construction activity has increased, it remains mostly at a low level.

Enquiry activity was at a good level in different-sized projects. Investment activity has improved, and the unravelling of the built-up investment backlog has begun.

Demand for maintenance and spare parts services has remained good. Utilization rates of customers' mills were at a good level.

Record-high
order book

MEUR 110

New record in
net sales with

31%
growth

All-time best operating profit of **MEUR 11.6**

Raute

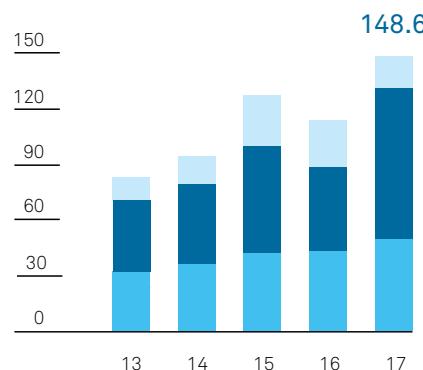
Thanks to a good opening order book and active market situation, we set a new record in our net sales, with 31% growth.

Our full-year order intake was at a very good level. Project deliveries were down 19% from the previous record year, due to a 50% decrease in the amount of new-capacity projects. Projects with separate production lines and machines more than doubled.

Order intake in technology services increased 33%. Modernizations were up 51%, and other technology services grew by 6%.

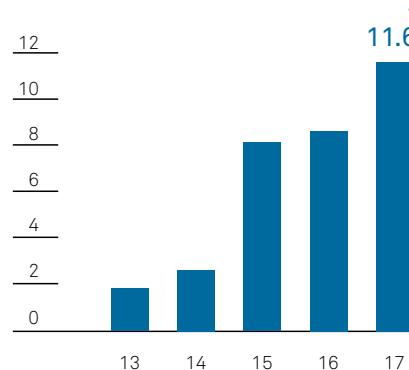
The order book is very strong, at MEUR 110. It includes six new-capacity-generating projects in which Raute is the full-scope supplier. Some of the order book is already scheduled for 2019.

Net sales by product area, EUR million

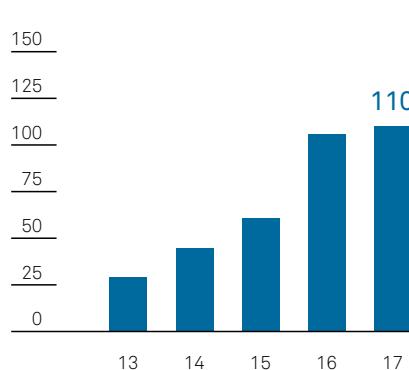


■ Project deliveries, LVL ■ Technology services
■ Project deliveries, plywood

Operating profit, EUR million



Order book, EUR million

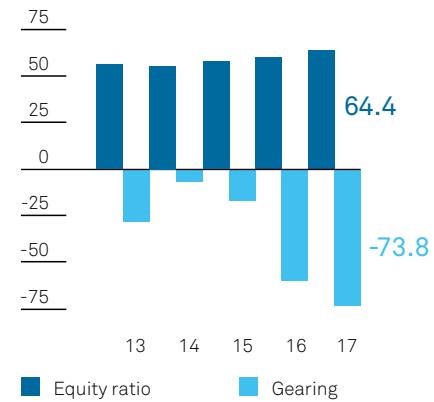


Financial development

EUR 1,000	2017	2016	2015	2014	2013
Net sales	148,615	113,130	127,278	94,021	83,274
Change in net sales, %	31.4	-11.1	35.4	12.9	-17.8
Exported portion of net sales	122,801	88,612	97,113	88,696	78,436
% of net sales	82.6	78.3	76.3	94.3	94.2
Operating profit	11,573	8,558	8,120	2,605	1,828
% of net sales	7.8	7.6	6.4	2.8	2.2
Profit before tax	11,522	8,220	8,118	2,810	1,589
% of net sales	7.8	7.3	6.4	3.0	1.9
Profit for the financial year	9,300	6,684	6,684	2,361	1,196
% of net sales	6.3	5.9	5.3	2.5	1.4
Return on investment (ROI), %	30.4	25.3	28.5	10.9	7.3
Return on equity (ROE), %	25.2	20.9	24.7	9.8	5.0
Balance sheet total	86,857	69,767	61,760	52,646	48,783
Interest-bearing net liabilities	-29,311	-20,633	-5,003	-1,669	-6,677
% of net sales	-19.7	-18.2	-3.9	-1.8	-8.0
Non-interest-bearing liabilities	44,877	31,760	28,421	22,795	18,302
Equity ratio, %	64.4	60.4	58.5	55.8	56.6
Gearing, %	-73.8	-60.3	-16.8	-6.9	-28.3
Gross capital expenditure	6,962	3,224	2,506	1,675	3,189
% of net sales	4.7	2.8	2.0	1.8	3.8
Research and development costs	3,237	2,863	3,092	1,767	2,523
% of net sales	2.2	2.5	2.4	1.9	3.0
Order book, EUR million	110	106	60	44	28
Order intake, EUR million	155	162	145	112	63
Personnel at Dec. 31	704	643	646	587	534
Personnel, effective, on average	660	631	614	530	515
Personnel, average	682	642	624	545	522
Dividend	5,312 *	4,220	3,303	1,606	801
Repayment of equity	-	-	-	803	1,201

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

Equity ratio and Gearing %



Return on investment (ROI) and return on equity (ROE) %



Share-related key figures

	2017	2016	2015	2014	2013
Earnings per share (EPS), undiluted, EUR	2.20	1.60	1.65	0.59	0.30
Earnings per share (EPS), diluted, EUR	2.18	1.59	1.64	0.59	0.30
Equity to share, EUR	9.34	8.13	7.26	6.06	5.90
Dividend per series A share, EUR	1.25 *	1.00	0.80	0.40	0.20
Dividend per series K share, EUR	1.25 *	1.00	0.80	0.40	0.20
Dividend per profit, %	56.8 *	62.3	48.4	68.0	66.7
Effective dividend return, %	4.3 *	6.0	5.7	5.5	2.9
Price/earnings ratio (P/E ratio)	13.17	10.41	8.55	12.42	23.28
Repayment of equity from invested non-restricted equity reserve, EUR	–	–	–	0.20	0.30

Development in share price (series A shares)

Lowest share price for the financial year, EUR	16.84	12.06	7.17	6.90	6.88
Highest share price for the financial year, EUR	30.52	17.98	14.25	8.60	9.33
Average share price for the financial year, EUR	22.70	14.50	11.95	7.69	8.49
Share price at Dec. 31, EUR	29.00	16.70	14.12	7.30	6.95
Market value of capital stock at Dec. 31, EUR 1,000**	123,228	70,248	58,057	29,311	27,833

Trading in the company's shares (series A shares)

Shares traded during the financial year, 1,000 shares	846	988	1,095	594	514
% of the number of series A shares	26.0	30.7	35.1	20.0	17.0

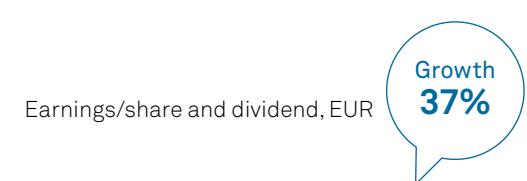
Total number of shares (undiluted)

Issue-adjusted weighted average number of shares	4,225,082	4,166,966	4,051,034	4,009,777	4,004,758
Issue-adjusted number of shares at the end of the financial year	4,249,248	4,206,462	4,111,708	4,015,228	4,004,758

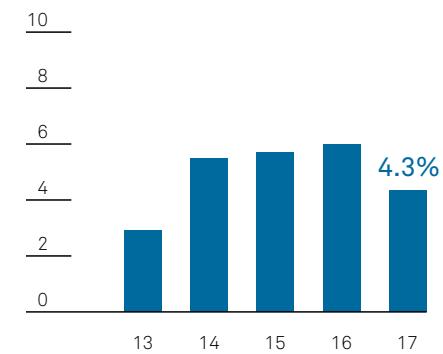
The deferred tax liabilities have been included in the calculation of the key figures.

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

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



* Board of Directors' proposal to the AGM



Board of Directors

The term of office of our company's Board of Directors begins at the Annual General Meeting and ends at the following Annual General Meeting. The Board of Directors convenes an average of ten times during the term of office. It oversees the duties of the Audit committee.

The Board's tasks and charter are described in our company's Administrative Instructions and Corporate Governance Statement, which can be found on our website, www.raute.com.

Election of Board members

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

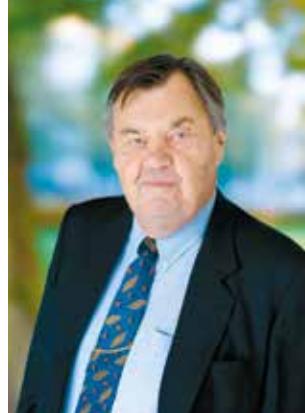
The Appointments Committee prepares and presents for the Annual General Meeting a proposal on the number of Board members and the Board's composition. It strives to achieve a diverse Board composition that supports the achievement of strategic targets and development of the business in the best possible way.

Diversity is examined through a variety of factors that include the Board's age and gender distribution, the educational and professional backgrounds of the members, experience that is significant in terms of the position and personal characteristics.

The purpose of the principles concerning diversity is to contribute to ensuring that the competence and experience of the Board, as well as the diversity of its composition are sufficient to meet the needs of our company's business model and ownership structure. In terms of the gender distribution, the goal is for at least one member of each gender to be represented on the Board. The Board of Directors assesses the achievement of diversity in its self-evaluation.

Auditor

The authorized public accountants PricewaterhouseCoopers with Authorized Public Accountant Markku Launis as the principal auditor.



Erkki Pehu-Lehtonen

b. 1950
M.Sc. (Eng.)
Chairman of the Board 2009–
Member of the Board 2009–
Chairman of the Board's
Appointments Committee



Mika Mustakallio

b. 1964
M.Sc. (Econ.), CEFA
Member of the Board 2004–
Vice Chairman of the Board 2012–
Member of the Board's
Appointments Committee



Pekka Suominen

b. 1976
M.Sc. (Econ.)
Member of the Board 2010–
Member of the Board's
Appointments Committee



Joni Bask

b. 1975
M.Sc. (Eng.)
Member of the Board 2012–



Patrick von Essen

b. 1963
M.Sc. (Eng.)
Member of the Board 2016–



Laura Raitio

b. 1962
Licentiate in Technology
Member of the Board 2017–

Executive Board



Tapani Kiiski
b. 1962
Licentiate in Technology, M.Sc. (Eng.)
President and CEO, March 16, 2004–



Arja Hakala
b. 1957
M.Sc. (Econ.), MBA
Group Vice President, Finance, CFO,
October 8, 2003–
Deputy to President and CEO,
October 16, 2004–



Petri Strengell
b. 1962
M.Sc. (Eng.)
Group Vice President,
Supply Chain, October 1, 2013–



Timo Kangas
b. 1965
Engineer, EMBA
Group Vice President, EMEA,
October 1, 2013–



Mika Hyysti
b. 1965
B.Sc. (Eng.)
Group Vice President,
Technology, October 1, 2013–



Marko Hjelt
b. 1969
M.Ed.
Group Vice President,
Human Resources, October 1, 2013–



Antti Laulainen
b. 1967
M.Sc. (Eng.)
Group Vice President,
Technology Services and Sales
Management, March 14, 2016–

President and CEO

The President and CEO is responsible for the management of our company's business according to the Finnish Companies Act and the decisions and instructions of our Board of Directors. He reports to the Board of Directors on the business environment, such as on customers and the competitive and market situation. His tasks also include keeping the Board of Directors up to date on the company's financial position and other significant business-related issues.

The President and CEO serves as the Chairman of our Group's Executive Board, represents the Group at the shareholders' meetings of subsidiaries and associates, and acts as Chairman of the subsidiaries' Boards of Directors, unless the Board has decided otherwise in individual cases. The Board evaluates the President and CEO's work annually.

Group's Executive Board

Our Executive Board consists of the President and CEO and a variable number of members appointed by Raute Corporation's Board of Directors. The Executive Board prepares the Group's business strategy, oversees its implementation and addresses all major operational issues together. Decisions are confirmed by the President and CEO.

Information for shareholders

Raute is a financially sound Small Cap company with a family background. We operate globally and are the leading operator in our sector.

Corporate governance

The parent company, Raute Corporation, is a Finnish public limited liability company that abides by the Finnish Companies Act, the Securities Markets Act, Nasdaq Helsinki Ltd's rules, other regulations concerning publicly listed companies, and Raute Corporation's Articles of Association in its decision-making and corporate governance. Our Board of Directors has also issued Administrative Instructions for the company and approved the Code of Conduct.

Raute Corporation's Articles of Association, Administrative Instructions, Code of Conduct, Corporate Governance Statement and other information related to the company's governance, responsibility and investor relations are available on Raute's website, www.raute.com. Information concerning the Group's administration, responsibility and risk management is also included in the report of the Board of Directors, the non-financial statement and the financial statements.

Dividend policy

We abide by an active dividend policy, the aim of which is to ensure competitive returns for our investors. In dividend payments, we take into account future investment needs and the goal of maintaining a solid equity ratio. Due to the nature of the project business, the dividend is not directly tied to the result.

Publishing of financial information

In all our communications, we comply with the requirements for listed companies as defined by

the rules of the Securities Markets Act and Nasdaq Helsinki Ltd, as well as any other applicable regulation concerning the disclosure of information.

As the achievement of strategic targets and annual forecasts is strongly dependent on the performance of the global economy, the timing of our customers' individual investment projects and the accuracy of sales recognition predictability, we do not publish time-bound numerical key figures for financial goals and earnings guidance.

We publish financial information (Annual Report, Financial Statements and Interim Reports) and stock exchange releases and notifications in both Finnish and English. You can read more about our investor communications policy at www.raute.com.

Persons responsible for investor relations:

Tapani Kiiski, President and CEO
Arja Hakala, CFO
tel. +358 3 829 11
email address: ir@raute.com.

Entities monitoring Raute:

Inderes Oy
OP Financial Group
Other entities also occasionally draw up reports on our company.
We are not responsible for the estimates presented in analyses or reports.

Risks and risk management

Our Group's greatest identified risks relate to the nature of the business, the business environment, financing, and damage or loss. According to our analyses, the Group's most significant business risks are fluctuations in demand resulting from economic cycles and delivery and technology risks.

Our risk management policy is approved by the company's Board of Directors. The Board is also responsible for organizing internal control and risk management, and for monitoring their efficiency.

There is no separate internal auditing organization in our company. The Controller function oversees the annual internal control plan approved by the Board, develops internal control and risk management procedures together with the operative leadership, and monitors compliance with risk management principles, operational policies and powers.

Raute shares and stock options

Series of shares

Raute Corporation has two series of shares. Series A shares have been quoted on Nasdaq Helsinki Ltd since 1994.

2010 stock options

Raute's 2010 stock options began trading on Nasdaq Helsinki Ltd on April 27, 2015.

Stock option 2010 C RAUTEEW310

The share subscription period will end on March 31, 2018.
The original exercise price: EUR 8.40.
The exercise price on December 31, 2017: EUR 5.00*.
Unsubscribed stock options on December 31, 2017: 13,446 pcs.

* 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.

Board of Directors' proposal for the distribution of profit

The Board of Directors will propose to Raute Corporation's Annual General Meeting for 2018, to be held on March 22, 2018, that a dividend of EUR 1.25 per share be paid for the financial year 2017, and that the remainder of the distributable assets be transferred to equity.

Shareholders who are registered in the shareholders' register maintained by Euroclear Finland Ltd on the record date for dividend payment, March 26, 2018, are entitled to dividends. The dividend payment date is April 4, 2018.

Annual General Meeting

Raute Corporation's Annual General Meeting will be held on Thursday, March 22, 2018 at 6 p.m. at Sibelius Hall, Ankkurikatu 7, Lahti, Finland.

In 2018 Raute Corporation will publish a half-year report and two interim reports as follows:

January–March on Friday, April 27, 2018

January–June on Tuesday, July 31, 2018

January–September on Wednesday,
October 31, 2018

Raute shares

	Series A share RAUTE	Series K share RAUTEK	Total
Number of shares Dec. 31, 2017	3,258,087	991,161	4,249,248
Votes/share	1	20	
Total votes	3,258,087	19,823,220	23,081,307

Share quotations can be followed online at www.raute.com.

We will mail the printed Annual Report to the 200 largest shareholders and to others by request.

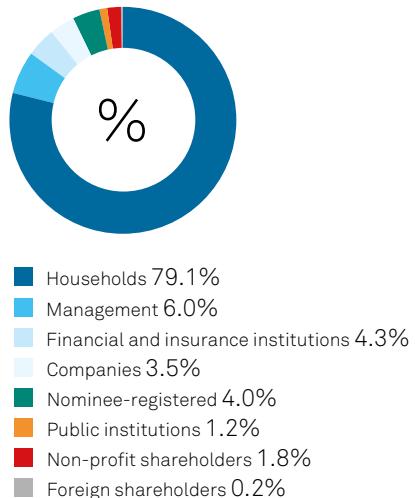
Our financial publications can also be ordered in print or as printouts by phone at +358 3 829 11 or by email to ir@raute.com.

Largest shareholders at Dec. 31, 2017

By number of shares	Number of series K shares	Number of series A shares	Total number of shares	% of total shares	Total number of votes	% of voting rights
Sundholm Göran	–	509,557	509,557	12.0	509,557	2.2
Mandatum Life Unit-Linked	–	131,396	131,396	3.1	131,396	0.6
Laakkonen Mikko Kalervo	–	119,919	119,919	2.8	119,919	0.5
Suominen Pekka	48,000	62,429	110,429	2.6	1,022,429	4.4
Siivonen Osku Pekka	50,640	53,539	104,179	2.5	1,066,339	4.6
Kirmo Kaisa Marketta	55,680	48,341	104,021	2.4	1,161,941	5.0
Suominen Tiina Sini-Maria	48,000	53,356	101,356	2.4	1,013,356	4.4
Keskiaho Kaija Leena	33,600	51,116	84,716	2.0	723,116	3.1
Mustakallio Mika Tapani	62,100	21,170	83,270	2.0	1,263,170	5.5
Särkijärvi Anna Riitta	60,480	22,009	82,489	1.9	1,231,609	5.3
Mustakallio Kari Pauli	60,480	500	60,980	1.4	1,210,100	5.2
Mustakallio Marja Helena	46,740	12,547	59,287	1.4	947,347	4.1
Särkijärvi Timo Juha	12,000	43,256	55,256	1.3	283,256	1.2
Särkijärvi Anu Riitta	12,000	43,256	55,256	1.3	283,256	1.2
Suominen Jukka Matias	24,960	27,964	52,924	1.2	527,164	2.3
Keskinäinen työeläkevakuutusyhtiö Varma	–	51,950	51,950	1.2	51,950	0.2
Relander Pär-Gustaf	–	51,000	51,000	1.2	51,000	0.2
Suominen Jussi	48,000	–	48,000	1.1	960,000	4.2
Mustakallio Ulla Sinikka	47,740	–	47,740	1.1	954,800	4.1
Keskiaho Ilta Marjaana	24,780	19,094	43,874	1.0	514,694	2.2
Total	635,200	1,322,399	1,957,599	46.1	14,026,399	60.8

Ownership and shares

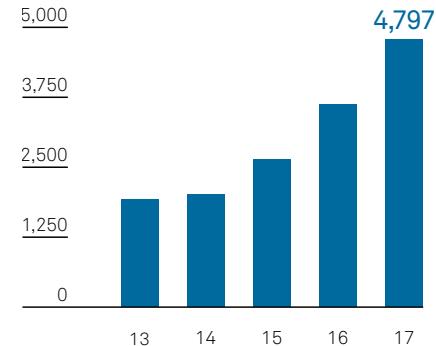
Share ownership by shareholder category at Dec. 31, 2017



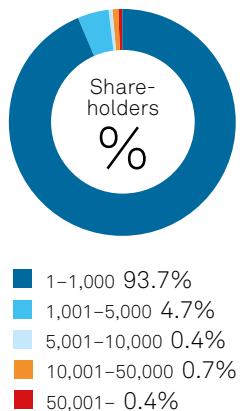
Trading in series A shares



Number of shareholders at Dec. 31



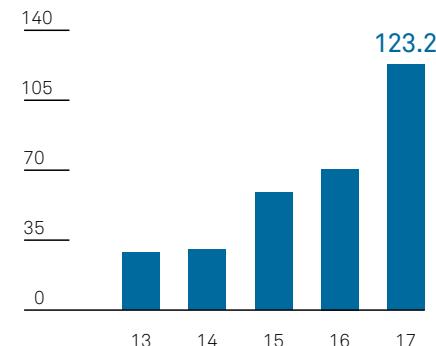
Share ownership by number of shares at Dec. 31, 2017



Development of share price EUR



Market value of capital stock at Dec. 31 EUR million



Series K shares appreciated to the value of series A shares.



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Annual Report 2017

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Raute Corporation

Head Office and main production plant



Rautetie 2
P.O. Box 69
FI-15551 Nastola
Tel. +358 3 829 11
Fax +358 3 829 3200



name.surname@raute.com
info@raute.com

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Raute is a technology and service company with global operations serving the wood products industry. The company started its operations as Lahden Rautaja Metalliteollisuustehdas Oy in 1908. The company's initial operations involved building inland waterway vessels and manufacturing steam boilers and machines. The production of wood processing machinery began with frame saws and expanded to plywood machines in the 1930s.

We produce efficient, environmentally friendly and advanced solutions for the veneer, plywood and LVL industry – from full-scale mills to individual spare parts and smart digital solutions. We serve our customer industries with the powerful combination of our expert personnel and leading technology.

Leaning on our extensive experience, we continue to actively develop our services and technological solutions to meet all our customers' needs. We help our customers succeed.

In 2017, we provided our customers with more than 100 new production lines and modernizations, more than 1,000 maintenance visits and more than 100,000 spare parts.

Raute, which has developed its operations for the long term and responsibly right from the start, turns 110 years old this year.

