



2015

PROFITABLE
SOLUTIONS



SOLUTIONS FOR PROFITABLE AND SUSTAINABLE MANUFACTURE OF PLYWOOD AND LVL

Raute is a technology and services company that serves the wood products sector worldwide. Raute is a part of the wood-processing value chain by providing the wood products industry with production machinery and services required for manufacturing veneer, plywood and LVL (Laminated Veneer Lumber).

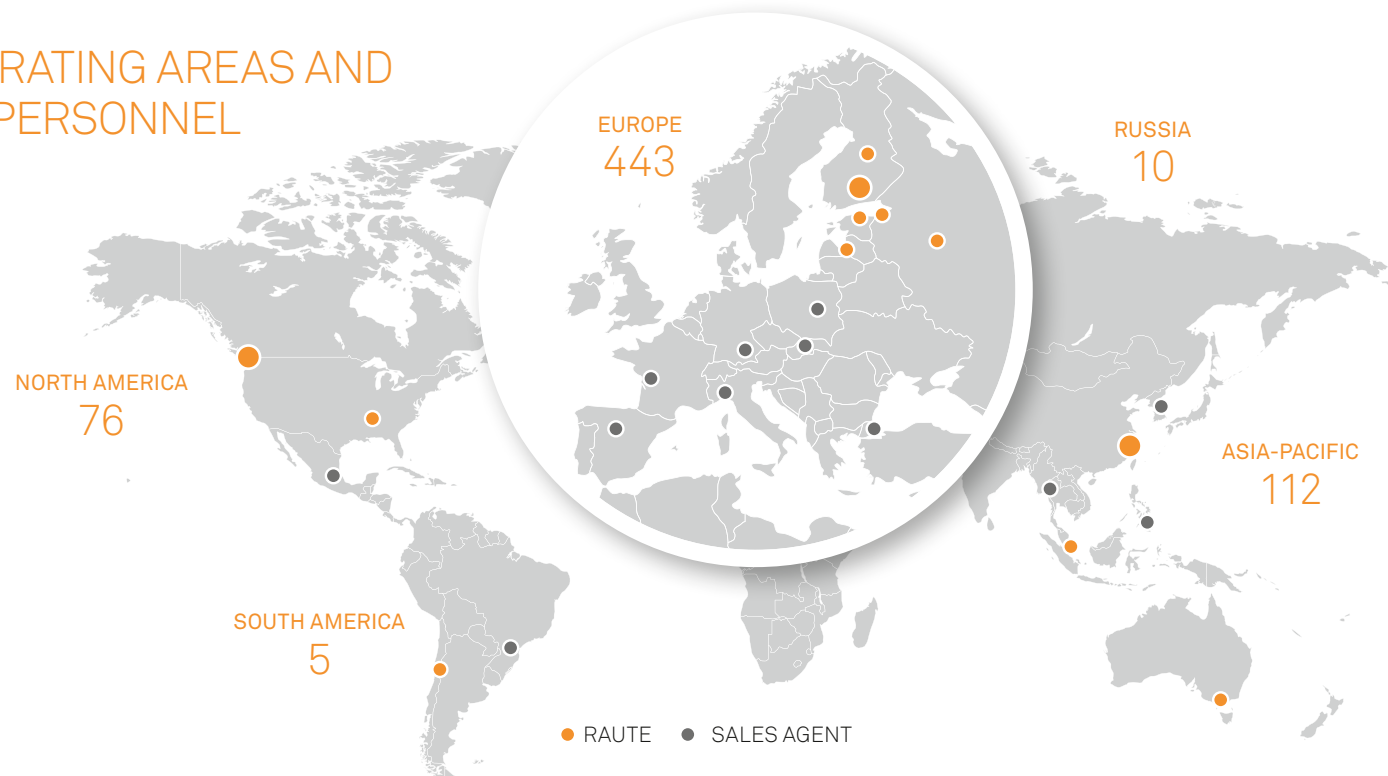
The company is the global market leader in its largest customer sector, the plywood industry. Raute's position in the LVL industry is particularly strong: more than half of the LVL manufactured in the world is produced on machines supplied by Raute.

Our customers are served by close to 650 Raute professionals around the world. Raute is a financially sound Small Cap company with a strong family background. The company's series A shares are listed on Nasdaq Helsinki Ltd.

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RAUTE'S OPERATING AREAS AND NUMBER OF PERSONNEL





NET SALES

MEUR 127.3

2014: MEUR 94.0

OPERATING PROFIT

MEUR 8.1

2014: MEUR 2.6

ORDER INTAKE

MEUR 145

2014: MEUR 112

GROWTH IN 2015

35%

REVIEW BY THE PRESIDENT AND CEO

A RECORD-BREAKING YEAR ACROSS ALL INDICATORS



We can be pleased with our success in 2015. Order intake, net sales and operating profit were all at a record high. There is still room for improvement, but we are in a good position to move forward.

Economic development in our main market areas was not favorable. The peak of the crisis has most likely passed in Europe, and many countries are already on the growth path. In North America strong growth continued, but construction activity has remained at a low level. Major South American countries are suffering from a poor economic situation, but exchange rates and new, competitive production plants are helping our customers succeed in the export markets. The slowdown of China's economic growth has caused uncertainty not only in Asia but also in other areas. We have our long-term cooperation with our customers, aimed at promoting their success, and their solid business and confidence in the future to thank for our successes last year.

At the start of 2015, our order book was fairly strong, and we gained good momentum early in the year. In March, we received two major orders within a short period of time. These orders, combined with the third major order received in April, secured a strong order book and high work load for the remainder of the year. Our net sales and operating profit improved markedly and reached a record-high level. We also succeeded in keeping up the good performance of our technology

services business, although the growth leveled out as some of our customers, in addition to ourselves, focused on those large projects.

For us, last year's highlights were the start-up of three major projects, receiving their orders and carrying them out successfully. Also positive was the continued favorable development of our North

that our input into emerging markets will generate growth in the current year. Despite the slowdown in China's economic growth, the country remains by far the biggest producer of plywood. Its growth in 2014 was around 5 percent, which in terms of cubic meters equals more than half of Russia's total output. As regards our technology services, we will return to a path of stronger growth.

“ WE HAVE OUR LONG-TERM COOPERATION WITH OUR CUSTOMERS TO THANK FOR OUR SUCCESSES LAST YEAR.

American business and the success of our machine vision products. The fact that we have won major projects shows that we have succeeded in our long-term customer work, in our technology investments and in the implementation of our strategy based on a total offering. With respect to China's markets and our products targeted at them, we will continue our efforts to achieve our goals.

In my view, we will be able to maintain, this year, the level of net sales and operating profit we have achieved. Our order book declined after last summer but remains at a strong level. Our customers in many market areas are preparing investments of different sizes. I am also confident

I would like to send out a heartfelt thank you to Raute's customers for their invaluable cooperation and trust, to our personnel for their outstanding work and flexibility under the significantly heavier workload, to our shareholders for their continued confidence in us, and to all our other partners for their role in furthering Raute's development and success.

Tapani Kiiski
President and CEO

RAUTE IS A PART OF THE WOOD-PROCESSING VALUE CHAIN

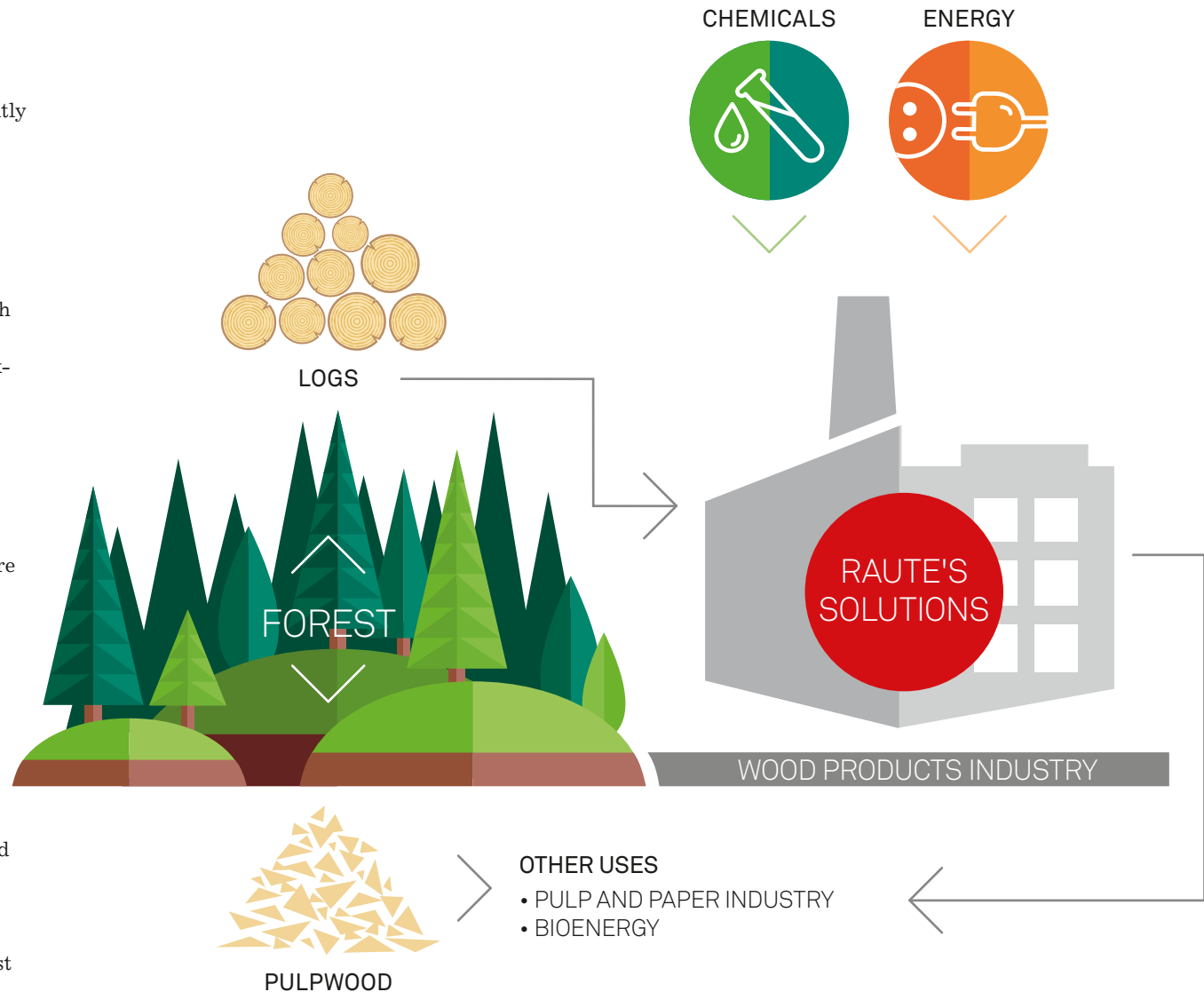
Sustainable and environmentally friendly, wood is a renewable raw material which is constantly gaining popularity in construction, for example.

Raute supplies the wood products industry with machinery and equipment for the profitable and environmentally sustainable production of wood products. Raute's customers produce veneer, plywood and LVL (Laminated Veneer Lumber), which are used mainly in construction, the manufacture of furniture and in the transport vehicle and packaging industries.

By investing in Raute's production technology, wood products industry operators can boost their production, reduce their consumption of wood, energy and chemicals and improve the quality of their end products. Raute's solutions cover the entire production process lines for plywood and LVL: log handling, peeling, drying, veneer handling, pressing, lay-up and panel and billet handling.

After their useful life is over, wood products can be recycled or used as raw material in energy production.

The value of the global wood products industry market is approximately EUR 150 billion. Demand and profitability are influenced by the general increase in the standard of living, construction regulations, availability and price of wood and economic cycles. Investment activity is at its highest level at the end of a business cycle.



1

Raute's customers are wood products industry companies.

2

With Raute's solutions, customers manufacture veneer, plywood and LVL from wood.

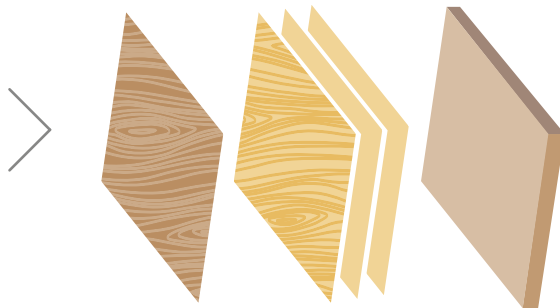
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Veneer, plywood and LVL are used in construction and furniture-making and in the transport vehicle and packaging industries.

VENEER

PLYWOOD

LVL



END USE

RECYCLING

- CONSTRUCTION
- FURNITURE
- TRANSPORT VEHICLE AND PACKAGING INDUSTRY
- SPECIAL USES

MEGATRENDS

IMPACT ON RAUTE'S SECTOR

CLIMATE CHANGE

- Increasing popularity of renewable raw materials and products
- Growing environmental awareness
- Increasing importance of energy efficiency as price of energy rises
- Environmentally sound processes gain ground
- Emissions decline

GLOBAL ECONOMIC DEVELOPMENT

- Focus of overall demand shifting increasingly towards the emerging markets
- As the standard of living rises, investments in construction and housing will increase
- Quality and ergonomic demands and rising costs enhance the significance of automation also on the emerging markets

RAUTE'S SOLUTIONS

- High degree of automation minimizes energy consumption and raw material waste in production processes
- Electrical, quiet and energy-saving actuators as modernization products for old production lines

- In veneer peeling and drying the Dragon technology increases the level of automation in emerging market production and boosts the use of veneer-based products as their quality improves

AVAILABILITY OF NATURAL RESOURCES

- Competitiveness of wood-based construction products improving
- Use of plantation wood as raw material on the rise
- More efficient use of raw materials and additives
- More efficient use of oil-based additives, and especially glue and overlays
- More efficient utilization of process by-products

- Research and development into the processing of new plantation wood species
- Maximization of the quality and strength of wood products using advanced grading technologies
- Glue-saving veneer and LVL lay-up and gluing solutions

TECHNOLOGICAL DEVELOPMENT

- More efficient use of raw material and other production factors
- Increasing willingness to invest in more efficient production processes
- Production facilities become larger
- Demand for expert services grows as automation and digitalization increase
- Increasing use of further-processed wood products
- Standardization and quality requirements for products increase

- Increased automation of production processes ensures consistent quality and efficient use of the raw material
- Life-cycle technology services
- Advanced technologies for measuring the wood's shape, visual quality, moisture and density

Using Raute's modern measuring and automation technology, almost half a million truck-loads of wood could be saved in plywood mills each year.

Using Raute's modern energy technology, plywood mills could save a volume of heat energy equal to the output of a large nuclear plant.

BUSINESS ENVIRONMENT

MAJOR INVESTMENTS IN PRODUCTION CAPACITY IN EUROPE

The situation in the global economy and the financial markets during 2015 did not change considerably with respect to Raute or Raute's customer base. In our view, new equipment investments in 2015 as a whole were at a level corresponding to a normal economic situation.

The uncertainty linked to global economic development increased, in particular due to weaker-than-usual economic reports and forecasts from China and political unrest in a number of regions.

In Europe, economic development continued its gradual strengthening. 2015 was the second consecutive exceptional year in which several major investment decisions were made to increase production capacity.

Russia experienced continued weak development. Russian plywood manufacturers lowered their prices on the export markets during the latter part of the year to offset weakened domestic demand. China's measures to strengthen its economy do not as yet support the financing of investments among Raute's customers. In addition the overheating of the equity markets during summer steered investments away from production operations in China.

Construction activity remained at a low level in all market areas, including North America, where the

economy in general continues its positive growth. Due to the market situation described above, Raute's customers' order books have remained short, which does not make for an attractive environment for implementing investments.

Demand for maintenance and spare parts services continued at a good level. This bears testimony to the fact that the utilization rates of Raute's customers' production facilities were mostly at a good level.

Raute is the biggest supplier of technology to its customer industries in Europe. Its strengths include expertise in production technology suited to European conditions as well as its recognizability and good reputation in the domestic market. Little new production is being built, but the service business offers growth opportunities to Raute. We seek growth by strengthening our customer relationships, adding to the scope of our technology services and helping our customers to capitalize on the growth in wood construction.

ANNUAL INVESTMENTS
BY RAUTE'S CUSTOMERS
APPROX.

MEUR 600

RAUTE'S SHARE OF THE
MACHINE INVESTMENTS

15–20%

High technological level in Europe

Europe is a market area with advanced technology where plywood manufacturers are focused on producing high value-added, high-quality end products. The markets for plywood are primarily in Europe, but special products are also exported to the US and Asia, for example.

Africa is a traditional supplier of round wood, and the development of its plywood industry has been slow. However, the restrictions on wood exports in some important producer countries have increased the need for local further processing of wood.

Economic situation in Russia defers investments

Russia is a strong plywood industry area where plywood production has long traditions and a high level of expertise. Its large forest resources and competitive production costs provide good prerequisites to expand plywood production and make new mill investments. The political uncertainty resulting from the crises in Ukraine and Syria, the weak economic development resulting from low oil and raw material prices and the difficulty of securing financing due to the economic sanctions have, however, caused investment decisions to be postponed.

Raute is the leading supplier of plywood industry machinery, equipment and services in the Russian market. We are the only operator capable of delivering complete production facilities on our own. Thanks to a large installed base, Raute's technology services still have growth potential in Russia.

Growth in China's plywood production levelling out

The Asia-Pacific area has one of the world's most powerfully growing plywood industries. A large proportion of the plywood manufactured in the area is used locally. In addition, wood-based panels are exported to the Middle East, the U.S. and Europe, for example.

China is the world's largest producer of plywood. Its plywood production has increased almost five-fold during the past decade. The recent levelling out of growth in production volumes shows a slowing down of growth to a more sustainable

level. The weakening of China's economic development has slowed down decision-making concerning a number of pending projects.

Plywood production in China is traditionally based on highly manual and simple technology. The industry is expected to develop rapidly during the next few years in terms of technology, as the quality demands imposed by export markets require more modern manufacturing processes.

Investments in solutions targeted at the Chinese markets and a local presence provide Raute with growth opportunities.

Growth opportunities in South America

South America is one of the biggest growth areas in plywood production. The largest plywood producers are Chile and Brazil. Raute is a major technology supplier in Chile, and sees potential in Brazil as a result of an increase in production quality requirements and the development of industry.

Decline in North American plywood production

North America is the world's second largest plywood production region and the largest LVL producer in the world, despite the fact that its plywood production volume has fallen by half to around 11 million cubic meters within a decade. This development is, on the one hand, the result of plywood being replaced by cheaper products in a few key areas of housing construction and, on the other, the outcome of the general slowdown in housing construction.

The wood products industry in the area is highly consolidated. Investments in plywood production have been minimal in recent years, and mainly targeted at modernization projects. A lack of trust in the continuation of positive economic development and the structural imbalance in housing demand preceding the recession have slowed down progress.

Raute's growth opportunities lie in the modernization of the existing machine base and in its automation expertise.

Read more about markets on Raute's website: www.raute.com.

RAUTE IN A STRONG COMPETITIVE POSITION

Raute's competitive position has remained good thanks to competitive advantages, such as overall expertise in plywood and LVL production processes and a broad and diverse technology offering. Raute's strong financial position and long-term dedication to serving selected customer industries also enhance its credibility and improve its competitive position as a company that carries out long-term investment projects.

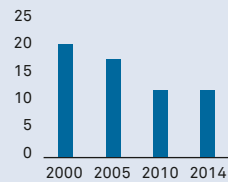
PLYWOOD PRODUCTION GLOBALLY

NORTH AMERICA

The world's largest LVL producing area and the world's second largest plywood manufacturing area. The economy is growing. Construction remains at a low level.

Investments focus on modernization projects to boost efficiency and replacement investments.

PLYWOOD PRODUCTION, MILLION M³



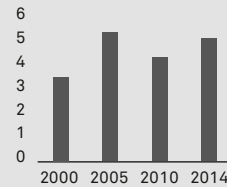
MARKET AREA'S SHARE OF RAUTE'S NEW ORDERS 2013-2015



SOUTH AMERICA

One of the biggest and most potential growth areas in plywood production.

PLYWOOD PRODUCTION, MILLION M³



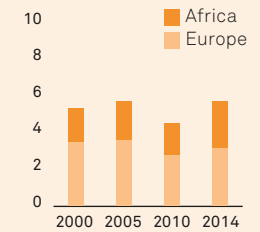
MARKET AREA'S SHARE OF RAUTE'S NEW ORDERS 2013-2015



EUROPE AND AFRICA

Developed market with a generally high level of production technology.

PLYWOOD PRODUCTION, MILLION M³



MARKET AREA'S SHARE OF RAUTE'S NEW ORDERS 2013-2015

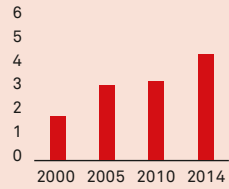


RUSSIA

Large raw material reserves and developing economy in the long term.

Excellent competitiveness in the export markets.

PLYWOOD PRODUCTION, MILLION M³



MARKET AREA'S SHARE OF RAUTE'S NEW ORDERS 2013-2015



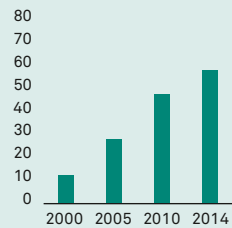
Source: Indufor

CHINA

The world's largest producer of plywood.

Production mostly based on manual labor, simple technology and local machine suppliers.

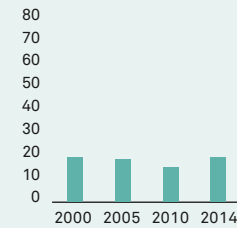
PLYWOOD PRODUCTION, MILLION M³



REST OF THE ASIA-PACIFIC AREA

Strong shift from natural forests to plantations.

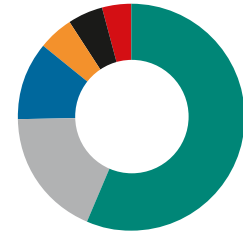
PLYWOOD PRODUCTION, MILLION M³



MARKET AREA'S SHARE (INCLUDING CHINA) OF RAUTE'S NEW ORDERS 2013-2015

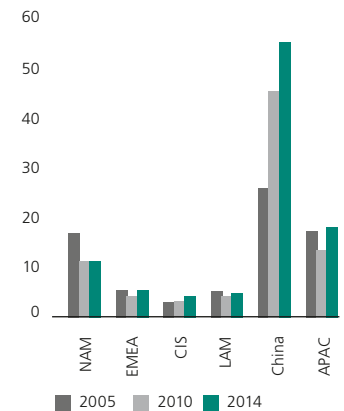


PLYWOOD PRODUCTION BY MARKET AREA 2014
Total 98.9 million m³



China	56%
APAC	18%
NAM	11%
EMEA	5%
LAM	5%
CIS	4%

PLYWOOD PRODUCTION TREND BY MARKET AREA (million m³)





Steico's LVL Investment and Production team at the LVL mill opening ceremony in September 2015



Steico's new LVL mill in Czarna Woda, Poland



CASE

STEICO'S GOAL IS TO MAKE AN IMPACT IN THE LVL WORLD

Thanks to the unbeatable value, efficiency, security and reliability of its LVL Production Equipment solutions, Raute received, in June 2014, an order for an entire LVL production line from Steico, one of the leading producers of wooden construction materials in Europe.

“We chose the Raute LVL plant because of its good price-performance ratio. The smooth installation, fast commissioning and good cooperation with Raute proved our decision right. It has been especially pleasant to see the straightforward and fair cooperation between the project managers of both companies,” says **Uwe Lange**, CTO and Investments Director of Steico SE.

With this state-of-the-art LVL line, Steico aims to make an impact in the LVL world. An eight-foot RauteSmart peeling line is transforming the conditioned Polish-grown pine logs into 3.2-mm-thick 8x8 foot veneer. The veneer sheets are then dried on a 13-section six-deck Raute drying line, equipped with the latest generation automatic veneer grading based on strength, moisture and visual quality. The automatic continuous Raute lay-up and pressing line is connected to an inline scarfing function, making

this process very labor effective. The three-opening 8x60 foot Raute hot pressing line has a capacity of over 90,000 m³/a, and together with the functional billet handling line, it enables the finishing of LVL products in all the finished sizes required by customers.

Construction work on the facility started in Czarna Woda, Poland in July 2014, and all the lines were delivered and installed by the end of June 2015. In record time, only 12 months after the first stone of the mill's foundation was laid, the first LVL billet was produced in Czarna Woda. Currently, the starting up of the line's production and final acceptance are underway.

This full-scale greenfield LVL line project counts among one of Raute's most challenging and exciting ventures. Challenging, because of the uncompromising need to achieve maximum production capacity within a quick start-up period: Steico has a driving need to rapidly supply their already developed Europe-wide customer network with its own manufactured LVL products. Exciting, because we at Raute now have a chance to test the ramp-up capability of our equipment within a demanding time frame.

Three of the largest greenfield mill projects in the European engineered wood products (EWP) landscape in the last three years have been LVL mills. Their owners, Pollmeier, Steico and Stora Enso, have in common the realization that LVL can provide a strategic edge and significantly enrich their product offering. Why?

VERSATILITY:

LVL is the only EWP in the world excelling in both beam and panel applications. One product for a wide variety of applications results in fast capacity optimization.

EFFECTIVENESS:

The LVL technology allows the usage of a larger and more cost-efficient raw material base, resulting in maximum yield from a log.

PROFITABILITY:

Through the randomization of wood defects within thin layers, LVL is strong but light, straight and uniform, with one of the best price-performance ratios. This leads to growing global LVL consumption, rising LVL prices, improving LVL margins and faster return on investment for LVL producers.

RAUTE'S BUSINESS

TECHNOLOGY AND SERVICES FOR THE MANUFACTURE OF PLYWOOD AND LVL

Raute is a technology and services company that serves the wood products sector worldwide. Its core competence lies in plywood and LVL manufacturing processes.

Our customers are veneer, plywood or LVL (Laminated Veneer Lumber) mills, of which the majority are private family businesses, while some are part of major consolidated forest groups that manufacture not only plywood and LVL, but also products such as pulp, paper and sawn timber.

Veneer, plywood and LVL are used mainly in construction and furniture and in the transport vehicle and packaging industries.

State-of-the-art technology and diverse services

Our full-service concept consists of project deliveries and technology services. Project deliveries include projects that consist of individual machines or production lines, all the way to deliveries that cover the machines and devices needed for the production processes of entire mills. Technology services range from spare parts deliveries to regular maintenance and equipment modernizations. The technology offering covers machinery and equipment for the customer's entire production process.

We support our customers throughout the life cycle of their equipment investments with diverse technologies and services. We see growth potential especially in technology services.

Global market leader

Raute is a global market leader in its biggest customer industry, the plywood industry, and present in all market areas. Our customers are served by close to 650 Raute professionals from ten countries. Raute's production units are located in Finland, Canada and China. The company's sales network has a global reach.

Raute is a global market leader as a machinery supplier for new capacity in the plywood and LVL industry. Our market share of all machine investments in the plywood industry is estimated at 15–20 percent. We have a particularly strong market position in the LVL industry. More than half of the LVL manufactured in the world is produced on machines supplied by Raute.

The increasing use of wood as a raw material boosts demand for Raute's products and services.

RAUTE'S MACHINES
PRODUCE MORE THAN

50%
OF THE WORLD'S LVL

Increasing environmental awareness, the resulting use of wood, a renewable raw material, and efforts to improve energy efficiency boost the attractiveness and competitiveness of Raute's solutions on the traditional markets. The increasing importance of emerging markets and tighter product quality requirements create new opportunities for utilizing Raute's strengths.

Our objective is to further strengthen our global market leadership and be one of the leading suppliers also in selected emerging markets.

Raute's competitors are typically small or medium-sized companies that operate locally or regionally and focus on only one or a few processes and technologies.

PROJECT DELIVERIES

67% of 2015 net sales

- Mill-scale projects, separate production lines, machinery and equipment
- Automation, machine vision, measuring technology

TECHNOLOGY SERVICES

33% of 2015 net sales

- Modernizations
- Maintenance and spare parts
- Production support services

RESPONSIBLE WOOD PRODUCTS TECHNOLOGY

The use of renewable resources is favored especially in construction, but also in other industrial uses, such as transport vehicles. Raute's single most important ecological achievement is to make it possible to produce wood products that are more environmentally friendly.

We focus on the key environmental effects of the wood products industry and help our customers to operate in a more environmentally sustainable manner by improving the efficiency of raw material use, reducing energy consumption and minimizing the consumption of chemicals, especially glue. Raute actively develops solutions that can help to enhance the energy efficiency of customers' production processes and improve the utilization of by-products. Automation also improves occupational safety and ergonomics.

Raute's goal is to create a continually developing and productive work environment. We operate globally in accordance with the principle of good corporate citizenship, taking into consideration the demands that the local culture and society place on our operations in all the countries where we have a presence. We develop the environmental

sustainability of our products and services based on our customers' viewpoints.

The environmental impact of Raute's operations mainly involves waste management for industrial sites, energy use, chemical management and safety. Our goal is to decrease the harmful effects resulting from our own operations, to create a continually improving work environment and to find the best and most efficient ways to manufacture products and provide services.

Raute manages the environmental risks linked to its operations through its environmental and management systems. The Nastola main production unit has ISO-certified quality and environmental management systems in place. The operations and ethical principles of the comprehensive partner and subcontractor network are evaluated all around the world according to the standardized criteria set in Raute's Code of Conduct.

Energy savings targets met

Thanks to its long-term development efforts, Raute has achieved the target of a nine percent improvement in energy savings by 2016.

RAUTE'S COMPETITIVE ADVANTAGES

- Leading technology and innovations
- Comprehensive expertise in the plywood and LVL production process
- Extensive experience in project deliveries to all market areas
- Comprehensive technology and service offering
- Comprehensive maintenance and spare parts service
- Local presence worldwide
- As a solvent and public listed company, Raute is a reliable partner

STRATEGY

PROFITABLE SOLUTIONS FOR ALL CUSTOMER NEEDS

Raute's strategy boils down to our vision: Raute offers profitable solutions for all customer needs. Profitability is essential for both Raute's customers and Raute itself to be able to continue and develop their operations. The solutions integrate technology, equipment and the services necessary for their operation and the development of the customer's entire production process.

Profitability, adaptation and growth as strategic goals

Improving profitability, the ability to adjust to economic cycle variations and controlled growth are Raute's strategic goals. The financial goal is to grow faster than the markets, to remain financially sound and to offer investors competitive returns. As the actualization of the goals is strongly dependent on the development of the global economy as well as the timing of customers' individual investments, no time-bound target values are disclosed for the financial goals.

Demand shifting towards emerging markets

The plywood and LVL industry's investments in the western markets will increasingly focus on growing the efficiency of existing production capacity and improving competitiveness.

The focus of Raute's products and services is shifting towards the emerging markets, which do not form a coherent whole. In China and India, most of the plywood production remains largely manual and simple. On the other hand, production plants in Russia and in parts of South America, for example, have reached a technological level that is near to that of developed markets. Southeast Asia and Brazil are somewhere between these two in terms of technology.

The common denominator of the emerging markets from Raute's viewpoint is the cost structure of wood products, which differs from the developed markets: labor costs are low but raw material and production automation costs are high. Raute offers its customers not only high technology, but also solutions for conditions where automation does not yet guarantee a significant competitive advantage.

Becoming a preferred supplier

Raute needs to gain a better understanding of the individual needs of customers, production bottlenecks and criteria for carrying out investments. This understanding needs to be translated into solutions that will help Raute to become the preferred supplier in the eyes of a growing number of customers and in various market areas. This can only be achieved when the product offering and delivery capability meet the customers' needs and help them to develop their own operations and succeed.

The share and importance of technology services is increasing as the markets change and technology develops. Technological development also makes it possible to extend the life cycle of basic equipment through modernizations. Raute is the trusted partner of its customers throughout the lifecycle of the investments and also focuses on modernizing competitors' equipment with Raute's technology. Digitalization brings with it new opportunities to further develop Raute's service offering.



2017

MARKETS STEER OFFERING OF LIFE-CYCLE SOLUTIONS
Faster growth than the markets



2016

EXCELLENT CUSTOMER SERVICE
Capability to offer Raute's entire product offering on all markets



2015

HIGH-QUALITY DELIVERIES
Customer promises met

Cascading the strategy

Customer needs, growing technology services, operating on the emerging markets, cost-efficient and high-quality operations and a personnel driven by a hunger for success are Raute's strategic cornerstones. The strategic choices are reviewed annually and the management sets the goals and the main themes for strategic development work. HR management ensures that the entire personnel understands the strategy and implements it in their work.

In 2015, the strategic development projects focused on ensuring delivery capability and quality. New operating methods and tools have been used to simultaneously implement three major delivery projects. In 2016, the focus will shift to developing sales with the objective of further growing the company's market share and service business. In 2017, the theme is to support growth through the development of the product and service offering.

STRATEGY

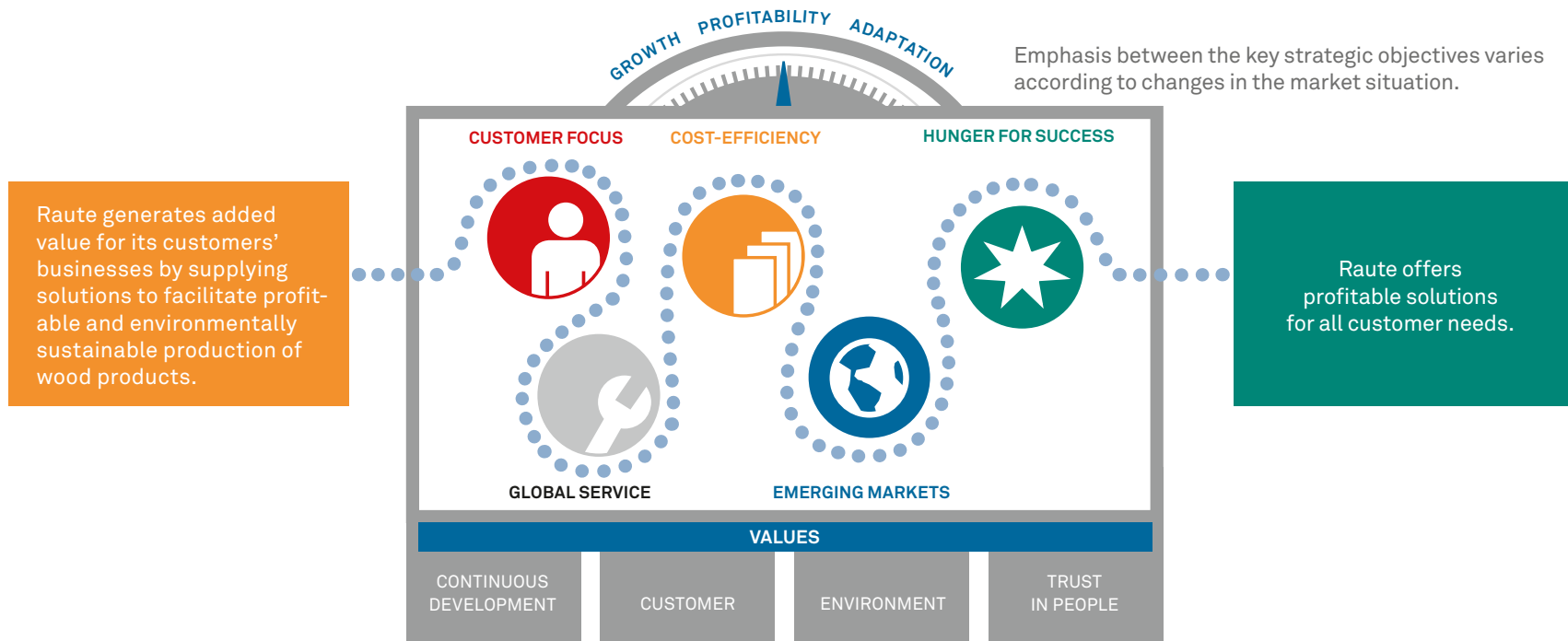
IMPLEMENTING THE STRATEGY IN 2015

CUSTOMER NEEDS

- The measurement of veneer density combined with visual imaging has elevated the grading of dry veneer to a new level
- The composing of green veneer has improved the efficiency of raw material use
- First machine-vision-based modernizations of veneer composers carried out
- Latest machine vision technology delivered to customers that use hardwood
- Competitors' equipment modernized with machine vision technology
- Entry into Asian and South American markets through machine vision technology

TECHNOLOGY SERVICES

- Service business strengthened through increased local presence according to planned priorities in Europe, North America and Asia
- Spare parts and small project delivery capability strengthened
- IoT-based remote services launched together with customers



EMERGING MARKETS

- Dragon product family, targeted at emerging markets, expanded with eight-foot peeler and veneer dryer
- Local organization strengthened and improved to correspond with the challenges linked to the Chinese markets and the development of the Dragon product family

COST-EFFICIENCY AND QUALITY

- Continued improvement of quality and occupational safety
- Continued maintenance and standardization of the product base and development of tools to support tendering and engineering
- Development of management model
- New IT system launched to support project management and issue management
- Manufacture of parts begun at Chinese plant
- Production investments started up at Nastola plant

HUNGER FOR SUCCESS AND PERSONNEL

- Competence surveys of Finnish personnel carried out and development plans drawn up
- Comprehensive mentoring program launched for ensuring continuity of product expertise
- Raute's employer image strengthened through communications

DIGITALIZATION TRANSFORMS VENEER MANUFACTURE

Raute's product development team researches and develops new products in order to meet changing customer needs. Digitalization and the Internet of Things have become one of the key technology trends. We are deeply focused on development work.

Many types of industrial production equipment have long been connected to the internet. For example, peeling lines supplied by Raute were first connected to the internet more than eight years ago so that data on the machines' functioning, needed for pre-emptive maintenance, could be sent. Internet connections can be used to solve maintenance issues and exceptional situations remotely.

Similarly to various consumer products, internet use in industry is expanding to a number of additional services, which are utilized in facilitating the use and maintenance of machines and, where applicable, in making them independent of location. Raute is a part of this Industrial Internet revolution. The first applications with which the efficiency figures of production lines can be monitored and compared, either by computer or

mobile device, are already being used by a few of Raute's customers. The applications function as a cloud service and are not tied to a specific location.

New Industrial Internet applications will supplement the mill-wide production data collection and reporting systems, for which Raute has long been known. Through new products, also production reporting will become available as a cloud service, doing away with the need for installing and maintaining local software.

Digitalization is much more than just the Internet of Things and the Industrial Internet. Consumers are already used to taking care of most things online. Raute provides key machine spare parts through its eStore. More new digital services are also continuing to be developed alongside other technologies.

GREEN VENEER COMPOSING CHANGING VENEER MANUFACTURING PROCESS

The circumferences of raw material logs are becoming smaller as we shift towards using plantation wood. More and more focus is being placed on the yields of tree plantations. The trees are felled when their growth rate begins to slow. As the circumferences of the logs shrink, the length of the veneer ribbon to be peeled becomes shorter and the proportion of veneer randoms to full-sized veneer sheets increases.

Typically randoms are composed after drying. This requires different, more labor-intensive steps in the production process than for full sheets, both before and after the drying stage.

Raute's green veneer composing technology forms full sheets of the veneer randoms prior to drying. The processing of the sheets, carried out in connection with the dryer, can now be fully automated, improving the dryer's degree of filling and efficiency.

Raute developed the green veneer composer and made its first commercial delivery during 2015. The product will be launched for sale worldwide during spring 2016.

PATCHMAN

Raute's virtual character Patchman represents the world's most advanced plywood manufacturing technology with an intelligent combination of the latest machine vision and mechanical tools. Patchman is named after Raute's first automatic veneer patching line.

SUSTAINABLE AND ECO-FRIENDLY WOOD

is a significant renewable raw material which is constantly gaining popularity in end products. Raute's technology and raw material expertise guarantee that the customer's end product will be durable and adaptable to any number of end uses.

SMART MACHINE VISION

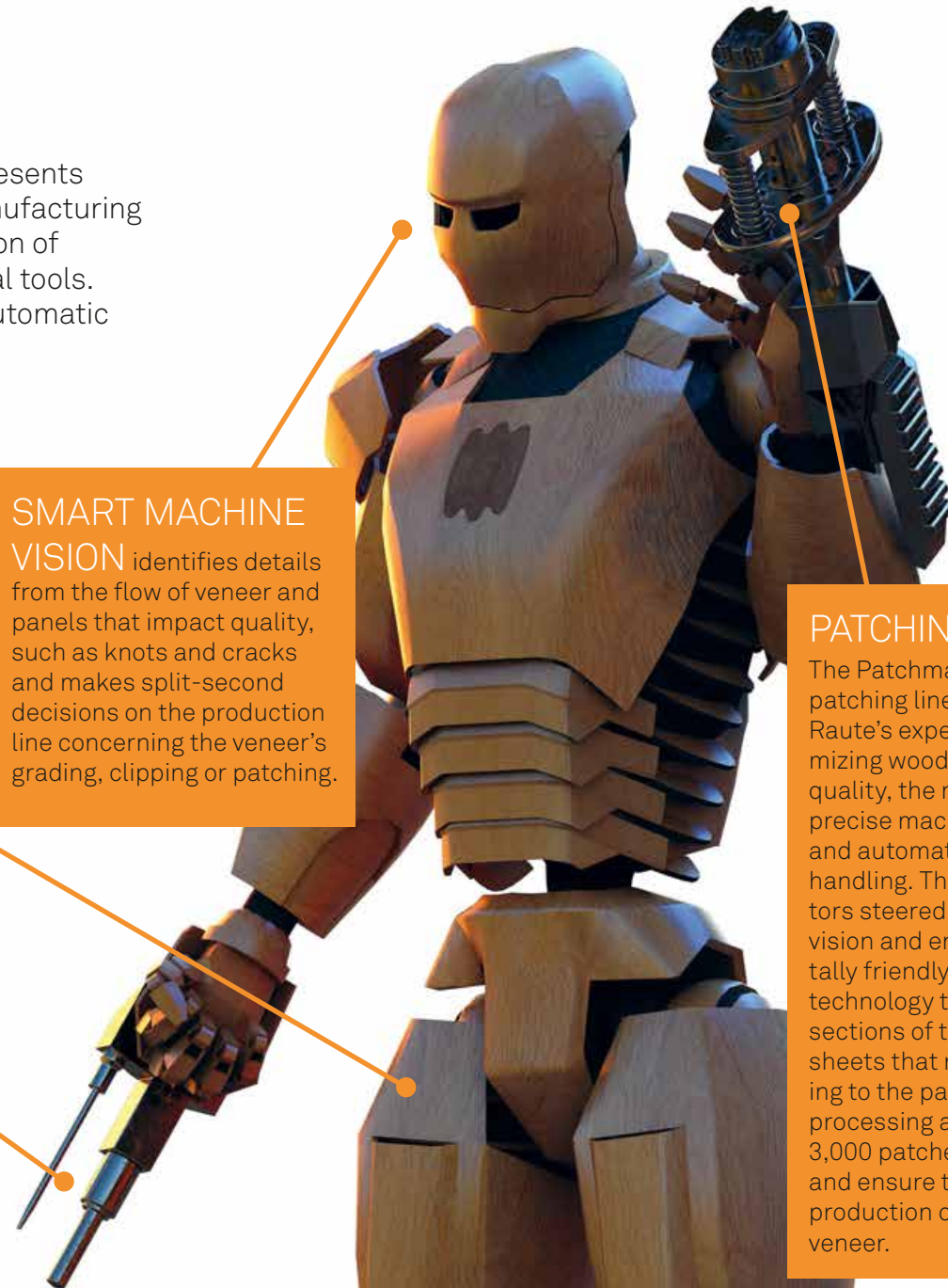
identifies details from the flow of veneer and panels that impact quality, such as knots and cracks and makes split-second decisions on the production line concerning the veneer's grading, clipping or patching.

PANEL REPAIR TOOLS

The markets' most precise panel repair tools automatically repair defects on the panel surface based on the observations of the machine vision and automate a work stage that earlier required a great deal of manual labor.

PATCHING HEAD

The Patchman 2 veneer patching line combines Raute's expertise in optimizing wood raw material quality, the markets' most precise machine vision and automated veneer handling. The manipulators steered by machine vision and environmentally friendly electric servo technology transfer the sections of the veneer sheets that require patching to the patching unit for processing at a speed of 3,000 patches per hour, and ensure the efficient production of top-quality veneer.



RESPONSIBLE EMPLOYER

INTERESTING AND CHALLENGING TASKS GLOBALLY

Raute's product and service solutions as well as global project activities offer a variety of tasks for experts in both Finland and abroad. In order to secure its future competitiveness, Raute will require both new experts and experienced wood product and wood technology professionals with an understanding of customer and business needs.

Personnel creates prerequisites for success

Competent personnel that is success-oriented and committed to the company's targets enable Raute to implement its strategy. HR management is based on Raute's values, responsible ways of operating and a cutting-edge working culture. The main goal is to support the implementation of our strategy and improve our competitiveness by ensuring sufficient levels of competence. To achieve this, people need to be given jobs that suit them in terms of expertise and motivation.

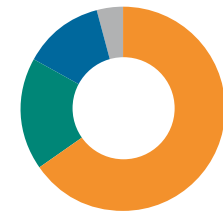
Raute assesses the implementation of the personnel strategy regularly through performance and

development discussions and personnel surveys. According to the feedback received from the personnel survey and the strategy forum held in November 2015, Raute's employees now have a better understanding of Raute's strategy and goals and the role of their own tasks with respect to the strategy.

Personnel well-being and competence development

Customer needs determine the direction and priorities of personnel development throughout our global organization. We wish to offer our employees an equal work community, motivating and meaningful work and a safe work environment.

PERSONNEL GEOGRAPHICALLY



Finland	66%
China	18%
Canada	13%
Others	4%

AGE OF PERSONNEL



< 30 years	22%
31-40 years	26%
41-50 years	22%
51-60 years	25%
> 60 years	5%

The Särnä change project was implemented at Raute in 2012–2014. For Raute employees Särnä means smooth team work, keeping our promises, taking quality seriously and respecting one another and our customers and partners.



PERSONNEL DEVELOPMENT IN 2015

The priorities of personnel development have been the identification of critical competencies and the closing of skill gaps. We carried out measures for the development of supervisory work identified through the 360 assessment implemented at the end of 2014. Training was carried out in many areas according to identified needs.

We strengthened our local business resources in Europe, North America and Asia. At our Chinese unit we strengthened the local organization so that it can take charge of sales and production management in upcoming years. In our biggest overseas units we adopted Group-wide HR management principles.

Wendy Lee's career at Raute began 16 years ago as an office secretary. Now the General Manager at Raute Shanghai, she says she has grown together with the company.

"My image of Raute, even as a student at the Beijing Forest University, was very positive, and I was glad to join the company in 1999 when it decided to establish the Beijing sales office."

In 2004, Wendy Lee was appointed Sales Manager and in 2006 she became Chief Administrator at the recently established Raute (Shanghai) Machinery Co., Ltd.

"In the beginning there were just a couple of people working in 1,200-square-meter premises. Today, Raute Shanghai employs 107 people in a more than 10,000 m² workshop," says Wendy, who has been the General Manager of Raute (Shanghai) Machinery Co., Ltd since 2014.

China's plywood industry is currently undergoing a change due to increasing labor costs and growing raw material prices. The responsibility for our Chinese business unit is also transferring to our local management.

"This is an excellent opportunity for Raute – one we have to grab with both hands, no matter how difficult it is," Wendy explains.

"I've enjoyed being part of the big Raute family and being able to develop with support from colleagues in Nastola and Shanghai."

BUSINESS REVIEW

RAUTE'S YEAR 2015

No significant changes took place in the business environment in 2015 with regard to Raute and Raute's customers. Uncertainty in the global economy and the financial markets continued, and construction activity remained at a low level. Our clients' order books were short, but production capacity utilization rates remained mainly at a good level.

Order intake in Europe to a record high – Europe remains the largest market

Unusually, altogether three major mill-scale capacity-generating projects were begun in Europe in 2015. In all three, Raute won the orders for the delivery of the main production technology. A machinery and equipment order for an LVL production line in Finland and a plywood machinery and equipment order for the expansion of a veneer mill into a plywood mill in Estonia took effect in March. In April, an order for the machinery and equipment relating to a plywood mill expansion project in Estonia took effect. Europe maintained its position as Raute's largest market area – order intake from Europe increased 38 percent from 2014, and Europe's share of all new orders remained at a high level, at 67 percent (63%).

Even though the North American economy continued to experience strong growth compared to the rest of the world, the growth of the construction industry has been clearly slower. Among Raute's customers, demand focused on

smaller modernization projects and technology services, as well as on individual replacement and efficiency-improving investments. Order intake from North America more than doubled from the previous year, with its share increasing to 15 percent (10%).

The political uncertainty resulting from the crises in Ukraine and Syria, the weak economic development resulting from low oil and raw material prices, the weakening of the ruble and the difficulty of securing financing due to the economic sanctions have caused investment decisions to be postponed in the Russian markets. However, many investments are still being prepared actively. The normalization of the market situation in Russia is not expected to happen anytime soon. New orders from Russia remained on a par with the previous year and Russia's share fell to 10 percent (15%).

In South America, Raute's customers continued to focus on ramping up the capacity of the large plywood mill investments they made a few years

KEY FIGURES	2015	2014
Net sales, MEUR	127.3	94.0
Change, %	35.4	12.9
Earnings per share (EPS), undiluted, EUR	1.65	0.59
Earnings per share (EPS), diluted, EUR	1.64	0.59
Balance sheet total, MEUR	61.8	52.6
Equity ratio, %	58.5	55.8
Interest-bearing net liabilities, MEUR	-5.0	-1.7
Personnel, average	624	545

ago and finding markets for their new production capacity. No new major investment projects were started up. Replacement investments also remained at a low level. New orders from South America declined by more than a third, and their share fell to 3 percent (7%).

The weakening of China's economic development slowed down decision-making concerning a number of pending projects. This also impacted the rest of Asia and even the entire world. China's and Asia's share of the order intake remained at 5 percent (5%). The Dragon product family is raising interest in China and Southeast Asia, but gaining a foothold in the markets has proven slower than anticipated.

Demand for maintenance and spare parts services remained at a good level throughout the year, increasing by nearly a fifth from the previous year. This bears testimony to the fact that the utilization rates of Raute's customers' production facilities mainly remained good.



A year of growth

Our net sales increased by 35 percent (13%) in 2015. The growth in net sales resulted from a higher initial order book than in the comparison year, a large volume of order intake and the timing of the order book.

Project deliveries' net sales increased 48 percent (12%) and that of technology services 16 percent (14%). The plywood industry's share of the net sales of project deliveries was 68 percent (75%), while the LVL industry's share was 32 percent (25%).

The operating profit more than tripled due to the increase in net sales and the implemented development measures.

Progress in major projects

Altogether six major capacity-generating projects were at the installation and commissioning phase during the year, and they have proceeded according to the timetable set by the customer. The final approval of the order received in July 2012 for the

delivery of LVL mill machinery to Germany has been further delayed due to changes made in the production process. The two major orders received from Poland in 2014 progressed to production use and ramping up of production. The three new major orders received in 2015 progressed as planned to the machine and equipment delivery phase and installation phase.

Growth in personnel, R&D costs and investments

The number of personnel increased by 59 employees, or 10 percent, in 2015. Most of the new employees were recruited for the Nastola unit. The focus in personnel development was, based on competence surveys, on the removal of identified bottlenecks in competence and the induction of new employees.

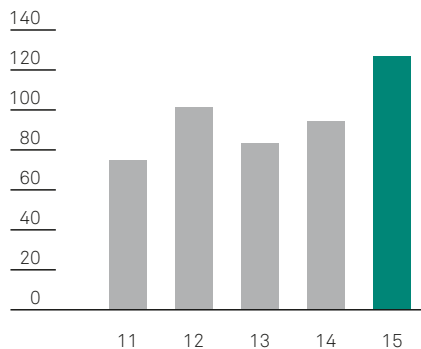
Strong focus on the development of increasingly efficient, productive and environmentally friendly manufacturing technology and supporting measurement and machine vision applications contin-

ued. Research and development costs grew to EUR 3.1 million (MEUR 1.8) and 2.4 percent of net sales (1.9%). In 2015, the extensive program aimed at developing automation, measurement systems and machine vision to produce new, more advanced applications for process optimization in the plywood and LVL industries was continued. The new green veneer composing concept, which improves customers' raw material utilization, was successfully tested in production. The Dragon product family, targeted at China's emerging plywood manufacturing markets, was expanded with an eight-foot peeling line and a veneer dryer. The implementation of IoT-based remote services was continued and expanded together with customers.

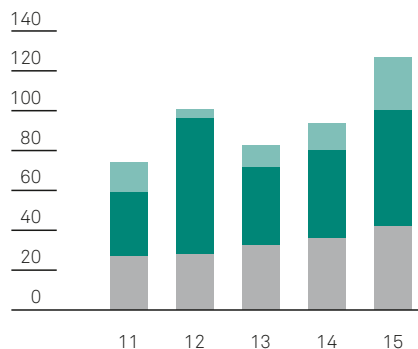
The Group's investments during the financial year increased to EUR 2.5 million (MEUR 1.7). The investments essentially consisted of replacement investments related to fixed assets in Finland. The biggest single investment was the NC boring machine purchased for the Nastola production unit, the installation of which started in late 2015.

FINANCIAL REVIEW 2015

NET SALES
EUR million

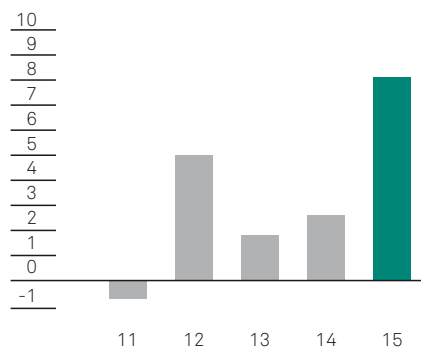


NET SALES BY PRODUCT AREA
EUR million

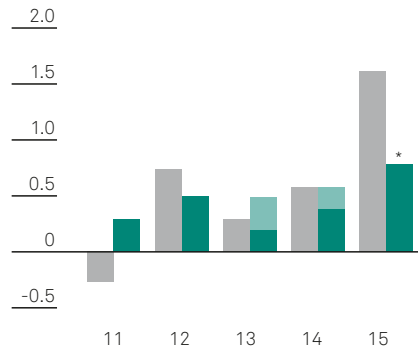


■ Project deliveries, LVL
■ Project deliveries, plywood
■ Technology services

OPERATING PROFIT
EUR million



EARNINGS/SHARE AND DIVIDEND
EUR



■ Earnings per share
■ Dividend
■ Repayment of equity

* Board of Directors' proposal to the AGM

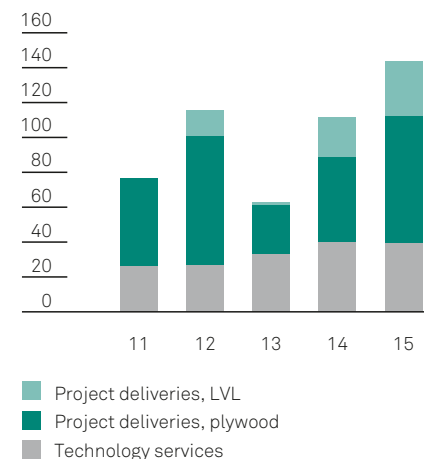
KEY FIGURES	2015	2014
Net sales, MEUR	127.3	94.0
Change, %	35.4	12.9
Exported portion of net sales, MEUR	97.1	88.7
Operating profit, MEUR	8.1	2.6
Profit before tax, MEUR	8.1	2.8
Return on investment (ROI), %	28.5	10.9
Return on equity (ROE), %	24.7	9.8
Equity ratio, %	58.5	55.8
Order book, MEUR	60	44
Order intake, MEUR	145	112
Earnings per share (EPS), undiluted, EUR	1.65	0.59
Earnings per share (EPS), diluted, EUR	1.64	0.59
Equity to share, EUR	7.26	6.06
Dividend per series A share, EUR	0.80 *	0.40
Dividend per series K share, EUR	0.80 *	0.40
Dividend per profit, %	48.4 *	68.0
Repayment of equity per share, EUR	-	0.20
Personnel at Dec. 31	646	587
Personnel, average	624	545

*Board of Directors' proposal to the AGM

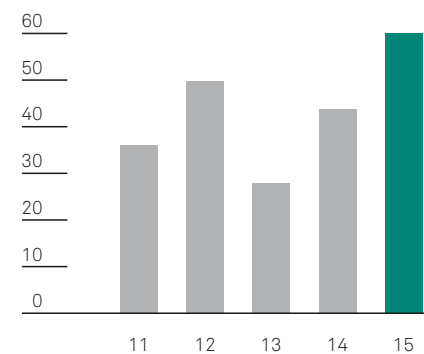
SUMMARY OF FINANCIAL STATEMENTS

EUR 1,000	GROUP (IFRS)		PARENT COMPANY (FAS)	
INCOME STATEMENT	1.1.–31.12.2015	1.1.–31.12.2014	1.1.–31.12.2015	1.1.–31.12.2014
Net sales	127,278	94,021	112,450	80,936
Change in inventories of finished goods and work in progress	-313	1,672	-653	1,014
Other operating income	393	72	1,365	408
Total operating expenses	-119,238	-93,160	-104,903	-81,370
Operating profit	8,120	2,605	8,258	988
Financial income and expenses	-1	205	888	459
Profit before tax	8,118	2,810	9,147	1,447
Appropriations (FAS)	-	-	36	-36
Income taxes	-1,435	-449	-1,457	-504
Profit for the financial year	6,684	2,361	7,725	908
BALANCE SHEET	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Assets				
Non-current assets	10,799	12,107	9,278	9,420
Current assets	50,960	40,539	47,602	35,743
Total assets	61,760	52,646	56,879	45,163
Shareholders' equity and liabilities				
Total shareholders' equity	29,700	24,334	26,705	20,782
Total liabilities	32,059	28,312	30,174	24,381
Total shareholders' equity and liabilities	61,760	52,646	56,879	45,163
CASH FLOW STATEMENT	1.1.–31.12.2015	1.1.–31.12.2014	1.1.–31.12.2015	1.1.–31.12.2014
Operating activities	7,477	-1,858	5,602	-3,499
Investing activities	-2,329	-1,101	-69	717
Financing activities	-3,052	-5,189	-3,052	-5,189
Net change in cash and cash equivalents	2,096	-8,148	2,481	-7,971

ORDER INTAKE BY PRODUCT AREA
EUR million



ORDER BOOK AT DEC. 31
EUR million



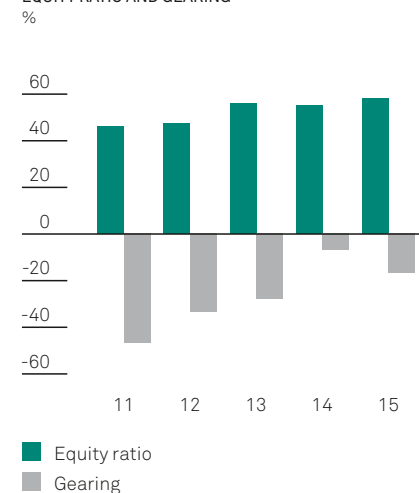
The complete consolidated statement of comprehensive income and balance sheet are presented in the financial statements which have been published as a separate electronic publication on the company's website at www.raute.com.

KEY RATIOS DESCRIBING THE GROUP'S FINANCIAL DEVELOPMENT

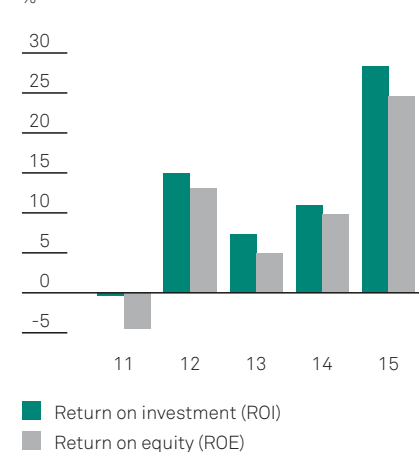
EUR 1,000	2015	2014	2013	2012	2011
Net sales	127,278	94,021	83,274	101,273	74,323
Change in net sales, %	35.4	12.9	-17.8	36.3	18.2
Exported portion of net sales	97,113	88,696	78,436	95,099	65,432
% of net sales	76.3	94.3	94.2	93.9	88.0
Operating profit (loss)	8,120	2,605	1,828	5,022	-738
% of net sales	6.4	2.8	2.2	5.0	-1.0
Profit (loss) before tax	8,118	2,810	1,589	4,766	-1,126
% of net sales	6.4	3.0	1.9	4.7	-1.5
Profit (loss) for the financial year	6,684	2,361	1,196	2,985	-1,095
% of net sales	5.3	2.5	1.4	3.0	-1.5
Return on investment (ROI), %	28.5	10.9	7.3	15.0	-0.1
Return on equity (ROE), %	24.7	9.8	5.0	13.1	-4.7
Balance sheet total	61,760	52,646	48,783	63,076	52,666
Non-interest-bearing liabilities	28,421	22,795	18,302	27,235	15,320
Interest-bearing net liabilities	-5,003	-1,669	-6,677	-8,087	-10,397
% of net sales	-3.9	-1.8	-8.0	-8.0	-14.0
Equity ratio, %	58.5	55.8	56.6	48.0	46.9
Gearing, %	-16.8	-6.9	-28.3	-33.5	-47.1
Gross capital expenditure	2,506	1,675	3,189	3,529	1,885
% of net sales	2.0	1.8	3.8	3.5	2.5
Research and development costs	3,092	1,767	2,523	2,516	2,020
% of net sales	2.4	1.9	3.0	2.5	2.7
Order book, EUR million	60	44	28	50	36
Order intake, EUR million	145	112	63	116	77
Personnel, at Dec. 31	646	587	534	503	464
Personnel, effective, on average	614	530	515	480	457
Personnel, average	624	545	522	488	475
Dividend	3,289 *	1,606	801	2,002	1,201
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 DATA

	2015	2014	2013	2012	2011
Earnings per share (EPS), undiluted, EUR	1.65	0.59	0.30	0.75	-0.27
Earnings per share (EPS), diluted, EUR	1.64	0.59	0.30	0.75	-0.27
Equity to share, EUR	7.26	6.06	5.90	6.03	5.51
Dividend per series A share, EUR	0.80 *	0.40	0.20	0.50	0.30
Dividend per series K share, EUR	0.80 *	0.40	0.20	0.50	0.30
Dividend per profit, %	48.4 *	68.0	66.7	66.4	-109.7
Effective dividend return, %	5.7 *	5.5	2.9	5.6	4.8
Price/earnings ratio (P/E ratio)	8.55 *	12.42	23.28	11.95	-22.67
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	7.17	6.90	6.88	6.18	6.05
Highest share price for the financial year, EUR	14.25	8.60	9.33	9.24	11.55
Average share price for the financial year, EUR	11.95	7.69	8.49	8.22	8.57
Share price at Dec. 31, EUR	14.12	7.30	6.95	9.00	6.20
Market value of capital stock at Dec. 31, EUR 1,000**	58,057	29,311	27,833	36,043	24,829

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

Shares traded during the financial year, 1,000 shares	1,095	594	514	302	522
% of the number of series A shares	35.1	20.0	17.0	10.0	17.3

Total number of shares (undiluted)

Issue-adjusted weighted average number of shares	4,051,034	4,009,777	4,004,758	4,004,758	4,004,758
Issue-adjusted number of shares at the end of the financial year	4,111,708	4,015,228	4,004,758	4,004,758	4,004,758

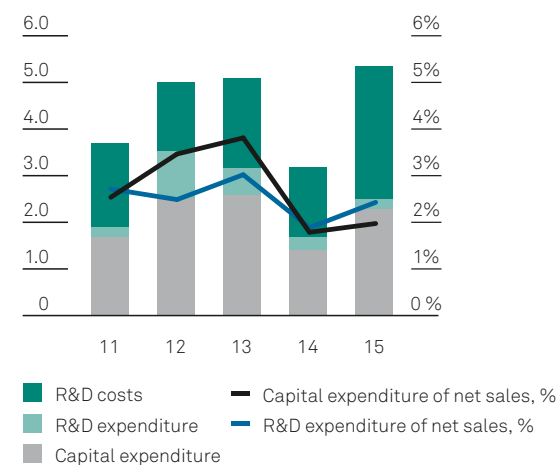
The deferred tax liabilities have been included in the calculation of the key ratios.

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

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

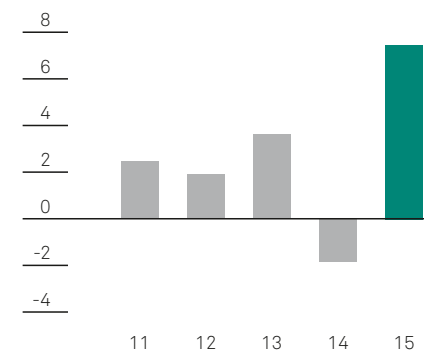
INVESTING IN THE FUTURE

EUR million



OPERATING CASH FLOW

EUR million



BOARD OF DIRECTORS

- No fewer than five and no more than seven members.
- The term of office begins at the Annual General Meeting and ends at the following Annual General Meeting.
- Majority of Board members independent of the company, of which members at least two must be independent of the company's major shareholders.
- Convenes, on average, ten times during the term of office.
- In addition to statutory tasks and those defined in the Articles of Association, the Board approves the company strategy and budget annually, and, based on management reports, regularly monitors the Group's financial status and draws up interim reports.
- Carries out an annual self-evaluation.
- A Working Committee and an Appointments Committee support the Board's work.

The charter and tasks of the Board of Directors are described in the Administrative Instructions and Corporate Governance Statement on the company's website.

Erkki Pehu-Lehtonen



b. 1950, M.Sc. (Eng.)
Chairman of the Board 2009–
Member of the Board 2009–

Chairman of the Board's Working Committee and Appointments Committee

Independent of the company and of major shareholders

Erkki Pehu-Lehtonen was Senior Adviser to the Board of Pöyry Plc in 2008–2010 and Pöyry Plc's President and CEO in 1999–2008. He was President of Jaakko Pöyry Oy, a subsidiary of Pöyry Plc, in 1996–1999 and Executive Vice President of the company in 1994–1996. Before joining the Pöyry Group, Erkki Pehu-Lehtonen held top management positions at, among others, Neles-Jamesbury, Inc. and Valmet Paper Machinery Inc.

Simultaneous positions of trust:
Valmet Corporation,
Member of the Board 2014–

Raute shares:
1,000 pcs series A shares

Mika Mustakallio



b. 1964, M.Sc. (Econ.), CEFA
Member of the Board 2004–

Vice Chairman of the Board 2012–

Member of the Board's Working Committee and Appointments Committee

Independent of the company, dependent on major shareholders

Mika Mustakallio has been President of MORS Software Oy since 2006 and a bank risk management specialist since 2001. Prior to this, in 1995–2000, he worked at Svenska Handelsbanken as the Head of Risk Control and in 1991–1995 at Price Waterhouse as a consultant.

Simultaneous positions of trust:
None

Raute shares:
57,580 pcs series K shares
26,270 pcs series A shares

Holdings of Raute shares on December 31, 2015. The figures include holdings of their own, minor children and control entities.

Risto Hautamäki



b. 1945, M.Sc. (Eng.)
Member of the Board 2009–
Member of the Board's Working Committee
Independent of the company and
of major shareholders
Risto Hautamäki was President of Metso
Paper in 2005–2007, President and CEO
of Tamfelt Corporation in 1995–2005 and
President and CEO of Valmet Paper
Machinery Inc. in 1990–1994.
Simultaneous positions of trust:
None
Raute shares:
3,000 pcs series A shares

Pekka Suominen



b. 1976, M.Sc. (Econ.)
Member of the Board 2010–
Member of the Board's Appointments
Committee
Independent of the company,
dependent on major shareholders
Pekka Suominen was Business Manager of
Talentum Events Oy in 2007–2012.
Simultaneous positions of trust:
Hakaniemen Metalli Oy,
Member of the Board 2014–
FBN Perheyrityspalvelut Oy,
Member of the Board 2014–
Raute shares:
48,000 pcs series K shares
62,429 pcs series A shares

Joni Bask



b. 1975, M.Sc. (Eng.)
Member of the Board 2012–
Independent of the company,
dependent on major shareholders
Joni Bask has held various product
development and management positions
at Varian Medical Systems Finland Oy
as of 2003. Current position: Systems
Engineering Manager, Varian Medical
Systems Finland Oy 2013–.
Simultaneous positions of trust:
None
Raute shares:
17,250 pcs series K shares
4,450 pcs series A shares
Auditor
The authorized public accounting company
PricewaterhouseCoopers as auditor,
with Authorized Public Accountant
Janne Rajalahti as the principal auditor.

Päivi Leiwo



b. 1964, Master of Law, MBA
Member of the Board 2014–
Independent of the company and
of major shareholders
Päivi Leiwo has been full-time Chairman
of the Board of her family-owned company
Oilon Oy since 2009. She previously worked
as a lawyer for Oilon Oy in 1989–2009.
Simultaneous positions of trust:
The Federation of Finnish Technology
Industries, Member of the Board 2012–
Finpro ry, Member of the Board 2014–2015,
Chairman of the Board 2015
Finpro Oy, Chairman of the Board 2016–
Finland Chamber of Commerce,
Vice-Chairman of the Board 2016–
Raute shares:
No holding of shares

EXECUTIVE BOARD



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

With the company since: 2002–

Member of the Executive Board since:
March 16, 2004

Employment history:

Raute Corporation 2002–2004: various positions such as Technology Director, Sales Director; KCI Konecranes International Plc 1994–2002: various positions, such as CIO; KONE Corporation, Kone Cranes 1985–1994: various positions, such as R&D Manager, R&D Director

Simultaneous positions of trust:

Helkama Bica Oy, Member of the Board 2014–
Häme Chamber of Commerce,
Chairman of the Board 2014–
The Federation of Finnish Technology
Industries, Member of the Board 2016–

Raute shares and stock options:

8,500 pcs series A shares
10,000 pcs stock options 2010 B
10,000 pcs stock options 2010 C



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

With the company since: 1990–

Member of the Executive Board since:
January 1, 2001

Employment history:

Raute Corporation 1990–2003:
Administrative Director;
Luhta Oy 1985–1990: Controller

Raute shares and stock options:

1,750 pcs series A shares
5,000 pcs stock options 2010 B
5,000 pcs stock options 2010 C



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

With the company since: 1987–

Member of the Executive Board since:
June 1, 2004

Employment history:

Raute Corporation 1987–2013: various positions, such as Group Vice President, Technology and Operations; Engineering Manager, Production Director

Raute shares and stock options:

5,250 pcs series A shares
5,000 pcs stock options 2010 C



b. 1965, Engineer
Group Vice President, Customer Care,
Technology Services, Market area EMEA,
October 1, 2013–

With the company since: 2004–

Member of the Executive Board since:
October 1, 2004

Employment history:

Raute Corporation 2004–2013: various positions, including Group Vice President, EMEA; Group Vice President, Technology Services; Maintenance Service Manager; YIT Corporation 1999–2004: various positions in maintenance and equipment sales in forest, paper and food industry projects

Raute shares and stock options:

2,500 pcs stock options 2010 A
5,000 pcs stock options 2010 B
5,000 pcs stock options 2010 C

Holdings of Raute shares and stock options on December 31, 2015. The figures include holdings of their own, minor children and control entities.



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

With the company since: 1990–

Member of the Executive Board since:
October 1, 2013

Employment history:

Raute Corporation 1990–2013: various positions, such as Automation Engineering Manager, R&D Manager and Technology Manager

Raute shares and stock options:

2,700 pcs series A shares
1,000 pcs stock options 2010 B
1,000 pcs stock options 2010 C



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

With the company since: 2013–

Member of the Executive Board since:
October 1, 2013

Employment history:

Raute Corporation 2013: Group HR Manager; Go On Yhtiöt 2010–2012: Head of unit in Lahti and Hämeenlinna, Finland; Mercuri Urval 1999–2009: Senior Consultant

Raute shares and stock options:

200 pcs stock options 2010 A
2,500 pcs stock options 2010 B
5,000 pcs stock options 2010 C

Mr. **Antti Laulainen**, M.Sc. (Tech.) (b. 1967), has been appointed as a member of Raute Group's Executive Board as of March 14, 2016 with responsibility for Technology Services and Sales Management (Group Vice President, Technology Services and Sales Management).

PRESIDENT AND CEO

Responsible for the management of Raute's business according to the Finnish Companies Act and the decisions and instructions of the Board of Directors.

Reports to the Board of Directors on the business environment, such as on customers, the competitive and market situation as well as Raute's financial standing and other important issues.

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

GROUP'S EXECUTIVE BOARD

Consists of the President and CEO, who acts as the Chairman, and of a variable number of members appointed by Raute Corporation's Board of Directors.

Prepares the Group's business strategy and is in charge of its implementation.

Deals with all major operational issues, and its decisions are confirmed by the President and CEO.

INFORMATION FOR SHAREHOLDERS

Raute is a financially sound Small Cap company with a family background. Raute operates globally and has a leading position in its field.

Corporate governance

The Parent company, Raute Corporation, is a Finnish public limited liability company which 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. The company's Board of Directors has also issued Administrative Instructions for the company.

Raute Corporation's Articles of Association, Administrative Instructions, Corporate Governance Statement and other information related to the company's governance and investor relations are available on Raute's website, www.raute.com. Information concerning the Group's administration and risk management is also included in the Report of the Board of Directors and Financial Statements.

Dividend policy

Raute exercises an active dividend policy. Its aim is to ensure competitive returns for its investors. Dividend payment takes 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 annual result.

Publishing of financial information

In all of its communications, Raute abides by the requirements of the Finnish Securities Markets Act and Nasdaq Helsinki Ltd's rules for listed companies concerning accurate and simultaneous disclosure of information.

Raute publishes financial information (Annual Report, Financial Statements and Interim Reports) and stock exchange releases and notifications in both Finnish and English. Read more about Raute's investor communications policy on the company's website at www.raute.com.

Persons responsible for investor relations

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

Analysts monitoring Raute

Inderes Oy
In addition, other analysis companies occasionally draw up reports on the company.
Raute is not liable for the estimates presented in the analysis.

Risks and risk management

The Group's identified key risk areas relate to the nature of the business, the business environment, financing, and damage or loss. The fluctuation in demand resulting from economic cycles and delivery and technology risks have been identified as the Group's most significant business risks.

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

Raute has no separate internal auditing organization. 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 the Nasdaq Helsinki Ltd since 1994.

SHARE	TRADING CODE	NUMBER OF SHARES AT DEC. 31, 2015	VOTES/SHARE	TOTAL NUMBER OF VOTES
Series A shares	RUTAV	3,120,547	1	3,120,547
Series K shares	RUTKV	991,161	20	19,823,220
Total		4,111,708		22,943,767

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

Stock options 2010

Raute's stock options 2010 are listed on Nasdaq Helsinki Ltd. as of April 27, 2015.

STOCK OPTION	TRADING CODE	SHARE SUBSCRIPTION PERIOD TO END AT	ORIGINAL SHARE SUBSCRIPTION PRICE	SUBSCRIPTION PRICE AT DEC. 31, 2015	AMOUNT OF STOCK OPTIONS UNEXERCISED AT DEC. 31, 2015
2010 A	RUTAVEW110	March 31, 2016	EUR 7.64	EUR 5.44	15,355
2010 B	RUTAVEW210	March 31, 2017	EUR 9.83	EUR 7.93 *	58,400
2010 C	RUTAVEW310	March 31, 2018	EUR 8.40	EUR 6.80 *	54,295

*The subscription price is reduced after the start of the period for determination of the subscription price, but before the share subscription, with the amount of dividend or funds distributed from the distributable equity fund.

LARGEST SHAREHOLDERS AT DEC. 31, 2015

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 Wilhelm	–	623,423	623,423	15.2	623,423	2.7
Mandatum Life Unit-Linked	–	182,635	182,635	4.4	182,635	0.8
Laakkonen Mikko	–	119,919	119,919	2.9	119,919	0.5
Suominen Pekka	48,000	62,429	110,429	2.7	1,022,429	4.5
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	2.5	1,161,941	5.1
Suominen Tiina Sini-Maria	48,000	54,316	102,316	2.5	1,014,316	4.4
Relander Harald Bertel	–	85,000	85,000	2.1	85,000	0.4
Keskiahio Kaija Leena	33,600	51,116	84,716	2.1	723,116	3.2
Mustakallio Mika Tapani	57,580	26,270	83,850	2.0	1,177,870	5.1
Särkijärvi Anna Riitta	60,480	22,009	82,489	2.0	1,231,609	5.4
Mustakallio Kari Pauli	60,480	500	60,980	1.5	1,210,100	5.3
Mustakallio Marja Helena	43,240	16,047	59,287	1.4	880,847	3.8
Särkijärvi Timo Juha	12,000	43,256	55,256	1.3	283,256	1.2
Särkijärvi-Martinez Anu Riitta	12,000	43,256	55,256	1.3	283,256	1.2
Mustakallio Ulla Sinikka	53,240	–	53,240	1.3	1,064,800	4.6
Suominen Jukka Matias	24,960	27,964	52,924	1.3	527,164	2.3
Keskinäinen työeläkevakuutusyhtiö Varma	–	51,950	51,950	1.3	51,950	0.2
Suominen Jussi Matias	48,000	–	48,000	1.2	960,000	4.2
Keskiahio Ilta Marjaana	24,780	19,094	43,874	1.1	514,694	2.2
Total	632,680	1,531,064	2,163,744	52.6	14,184,664	61.8

Annual General Meeting

Raute Corporation's Annual General Meeting will be held on Thursday, March 31, 2016 at 6 p.m. at Sibelius Hall, Ankkurikatu 7, Lahti, Finland.

The Board of Directors' proposal for profit distribution

The Board of Directors will propose to Raute Corporation's Annual General Meeting, to be held on March 31, 2016, that a dividend of EUR 0.80 per share be paid for the financial year 2015, and that the remainder of distributable funds be transferred to equity. Shareholders who are registered in the shareholders' register maintained by Euroclear Finland Ltd on the record date for dividend distribution, April 4, 2016, are entitled to dividends. The dividend payment date will be April 12, 2016.

In 2016 Raute Corporation will publish three interim reports as follows:

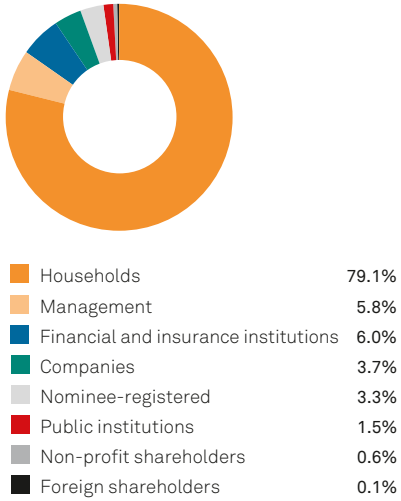
- January–March on Friday, April 29, 2016
- January–June on Wednesday, July 27, 2016
- January–September on Wednesday, October 26, 2016.

The printed Annual Report will be mailed to the 200 largest shareholders and to others by request. Financial publications can also be ordered in print or as printouts by phone from +358 3 829 11 or by email from ir@raute.com.

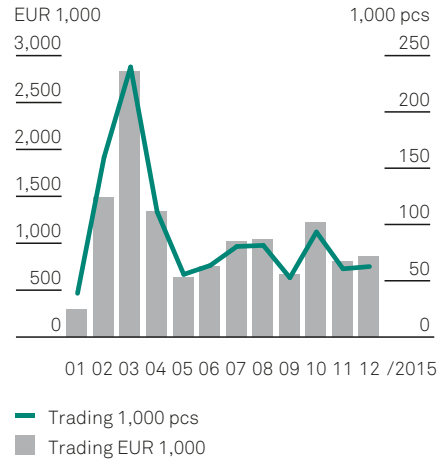
Read more about Raute as an investment:
www.raute.com/Investors



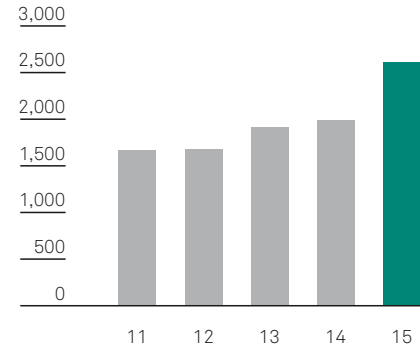
SHARE OWNERSHIP BY SHAREHOLDER CATEGORY AT DEC. 31, 2015



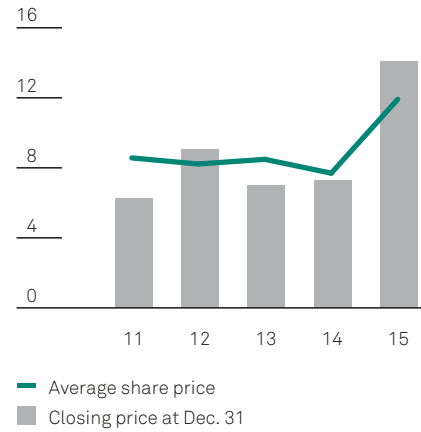
TRADING IN SERIES A SHARES 2015



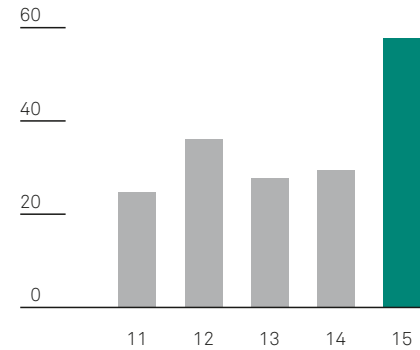
NUMBER OF SHAREHOLDERS AT DEC. 31



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.

Raute Corporation Head Office and main production plant

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Fax +358 3 829 3200

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Facebook: Raute Corporation
Instagram: @raute_corporation
Youtube: www.youtube.com/RauteMachinery





Our virtual character Patchman is a representation of Raute's advanced technology. The character's tools and machine vision reflect one of our strengths – our ability to combine mechanical functionality and automation into smart machines that serve our customers.