

# 12<sup>th</sup> Asian **Ferro-alloys** Conference

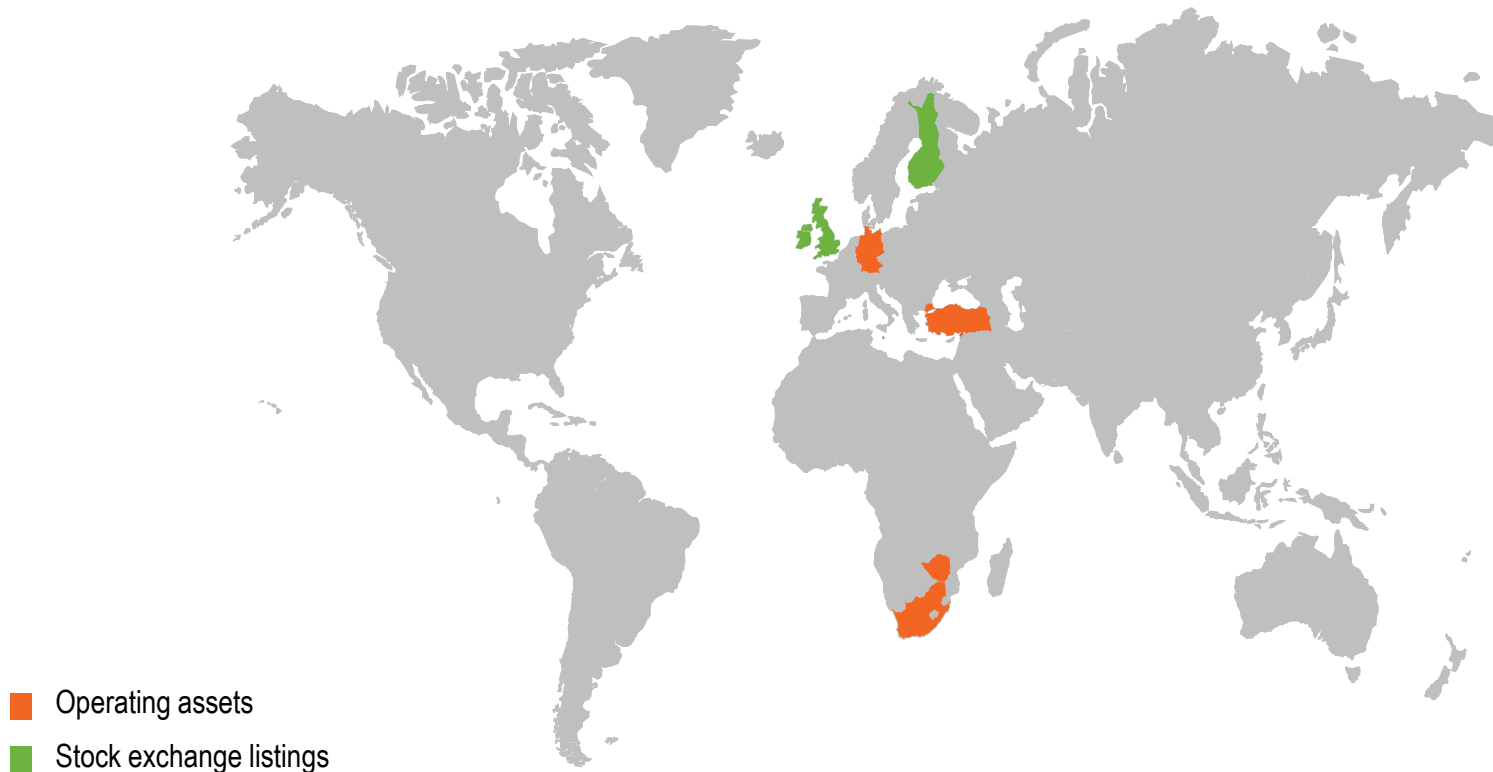
## **RUUKKI** | GROUP

**Danko Konchar**  
Managing Director

**Unlocking Value To  
Deliver Sustainable Growth**



# 1. Ruukki Leveraging Competitive Advantages for Growth



**Ruukki Group is an international public corporation which operates its own assets, including mining, metallurgical production and global sales & marketing.**

# Ruukki's Future Growth Profile Over Next Five Years

## Mining



## Processing



## Sales



### FerroAlloys S.Africa

**Stellite Mine**  
300,000tpa\*

600,000tpa\*

Mecklenberg,  
Waylox & others  
300,000tpa\*

**Mogale, S.Africa**  
110,000tpa\*  
FeCr | SiMn | SSA

2 DC Furnaces  
280,000tpa\*

**Chrome Ore**  
Plasma Charge FeCr  
SilicoManganese  
Stainless Steel Alloy  
Chromite Concentrates

### Speciality Alloys

**TMS, Turkey**  
120,000tpa\*

**EWW, Germany**  
30,000tpa\*

### RCS, Malta

**Low carbon**  
**Ultra low carbon**  
**Speciality low carbon**

\* Installed capacity of saleable chrome product

# Africa – Metals & Mining

- *The world has lived on the back of cheap commodities. In general the third-world countries are the producers. The terms of trade are now changing !*
- For a long time producers in the World had enough supply of raw materials and energy. This situation is changing rapidly, especially where energy is concerned.
- Prices will continue to rise due to expanding consumption in China & India. This has changed the market dynamics.
- China and developed World will be the main source of funding for mining and metallurgical projects. This is very evident on Africa continent.
- Competitive operating cost (opex) is the KEY.

# Africa – Metals & Mining

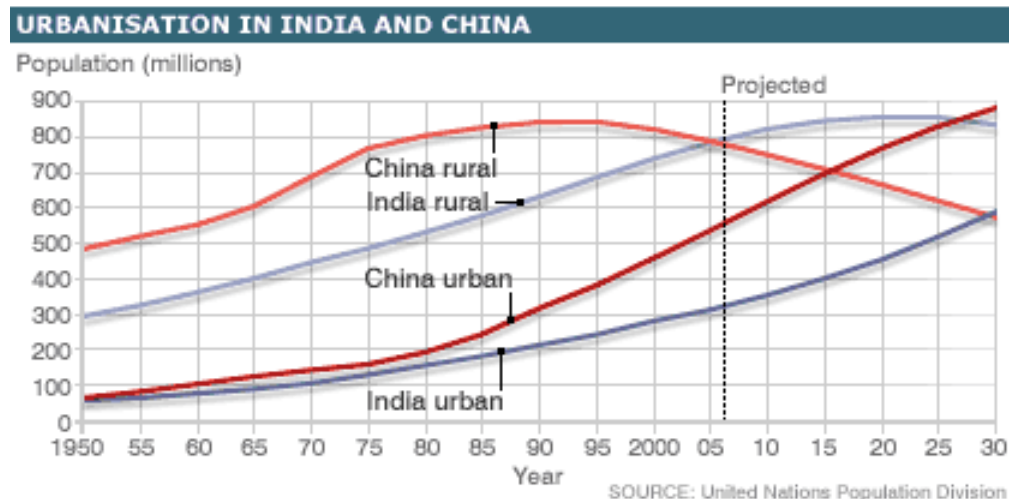
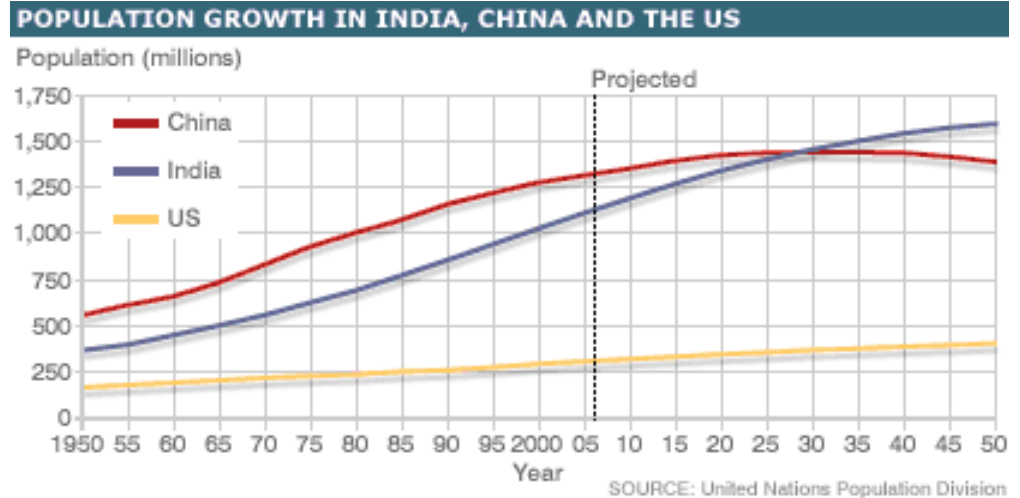
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- **Investments in Africa are very dependent on political situation and would only happen if:**
  - a) **the investor's investment is protected from political turmoil**
  - b) **basic infrastructure exists to support the investment**
  - c) **skills are available AND**
  - d) **the Governments have the will and energy to support investments and partnerships.**
  
- **African raw material producers have to:**
  - a) **be flexible in terms of volumes and needs of the markets**
  - b) **avoid competing with each other in order not to undermine markets, profitability**
  - c) **learn to be responsive to varying demand, shifting patterns, etc.**  
**This will have large consequences for their own future, for employees, service providers, utilities, and of course for the Government revenue.**

# One Third Rule

China & India are the driving force of the World economy, and they will continue to consume more and more raw material.

- One in three people worldwide lives in either China, the largest communist country, or India, the largest democracy.
- For the moment, China remains the most populous nation, with 1.3 billion inhabitants, followed by India, which is home to 1.1 billion.
- But India's higher fertility rate means the gap is narrowing and the UN expects it to overtake China before 2030.
- Both countries are also experiencing rapid growth in their urban populations.
- In China, the number of people in towns and cities is likely to exceed the number in the countryside by 2015.



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Thank you

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