



**RUUKKI** | GROUP



**Investor Presentation**

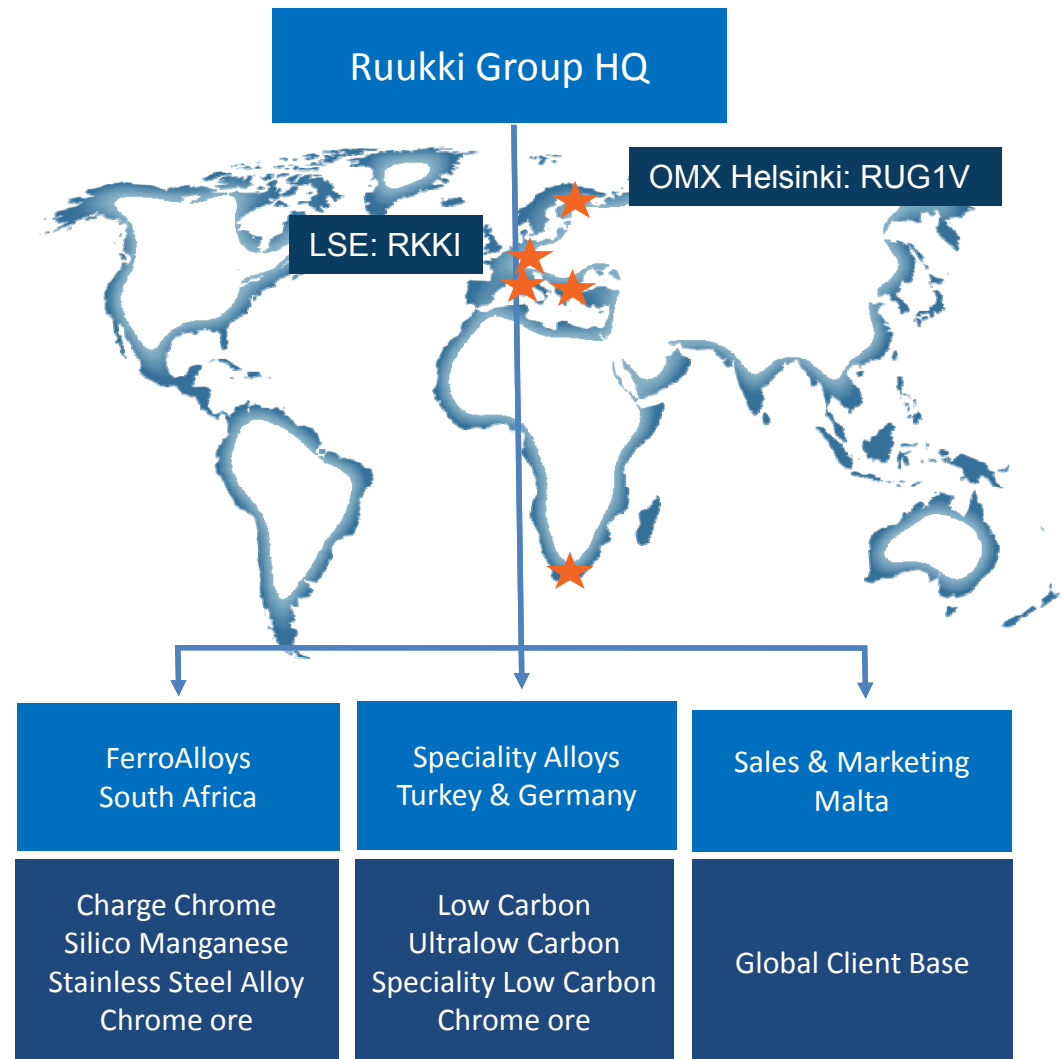
**Thomas Hoyer, CEO**

[www.ruukkigroup.com](http://www.ruukkigroup.com)

**May 2012**

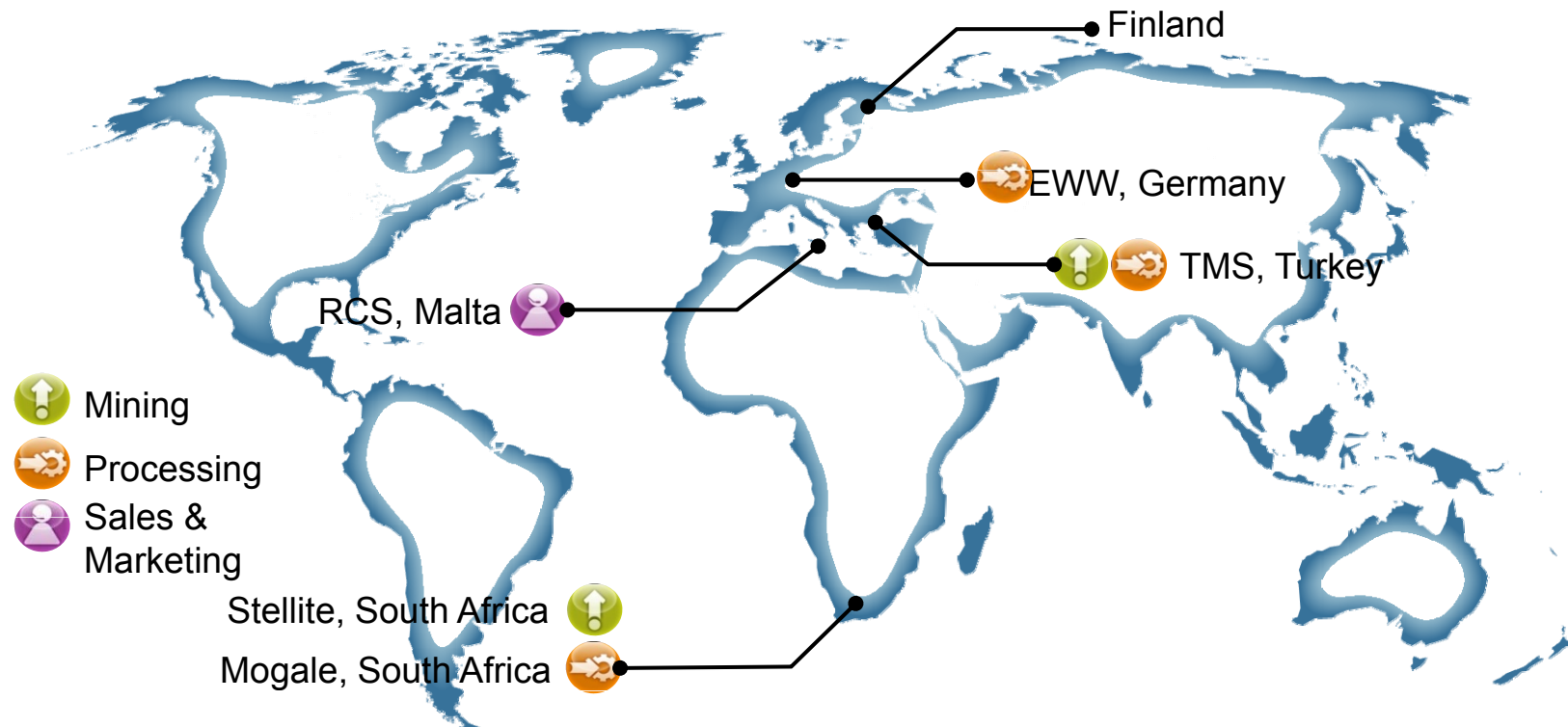
# Introducing Ruukki

- A vertically integrated ferroalloys producer from mine to customer
- Supplies specialist products to steel & stainless steel industries
- Diversified product mix:
  - Adaptable to customer requirements & general market demand
  - Offers protection in challenging markets
- Focused on shareholder value through profitability & growth



## Track Record of Delivering Strategic Growth

- 2008: The European Speciality Alloys business was acquired
- 2009: Expansion into South Africa
- 2010: Completed its South African value chain with acquisition of Chromex Mining
- 2012: Acquisition of EWW, consolidating Speciality Alloys mine to customer chain



# Ruukki's Strategy

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Current Assets	Mid-term Growth Initiatives	Long-term Growth Themes
<ul style="list-style-type: none"><li>• Improve performance</li><li>• Grow reserves</li><li>• Increase production</li><li>• Expand product offering</li></ul>	<ul style="list-style-type: none"><li>• Investments</li><li>• M&amp;A</li><li>• Pool &amp; Share ventures</li></ul>	<ul style="list-style-type: none"><li>• Consolidation</li><li>• Secure power supply</li></ul>



## FY 2011 Performance

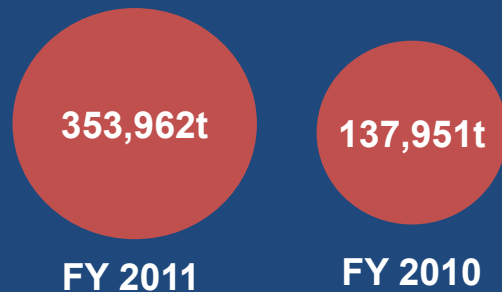
### Group Financial Performance

	FY2011	FY2010
• Revenue	159.1	123.3
• EBITDA	1.4	-8.4
• EBITDA margin (%)	0.9	-6.8
• EBIT	-26.5	-75.6
• EBIT margin(%)	neg.	neg.



### Production (tonnes):

	FY2011	FY2010
Mining	74,489	51,985
Processing	16,678	35,823



### Key Achievements:

Production up 157%

Revenue up 29%

EBITDA improved by EUR 9.8 million to 1.4 million

Stellite successfully ramped-up to 360,000tpa RoM annualised

Good performance by Speciality Alloys division

## Speciality Alloys Performance

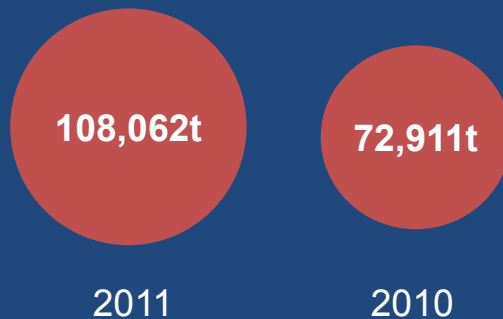
### Financial Performance

	FY 2011	FY2010
• Revenue	83.6	69.0
• EBITDA	13.8	7.8
• EBITDA margin (%)	16.5	11.3
• EBIT	-3.8	-10.0
• EBIT margin(%)	neg.	neg.



### Production (tonnes):

	FY2011	FY2010
Mining:	82,154	54,917
Processing:	25,908	17,994



### Key Achievements:

- TMS increased mining volumes by nearly 50%
- New mine shaft at Kavak successfully completed on time & within budget
- TMS upgraded its reserves & resources
- EWW operated close to full capacity and production increased by 44%

# FerroAlloys Performance

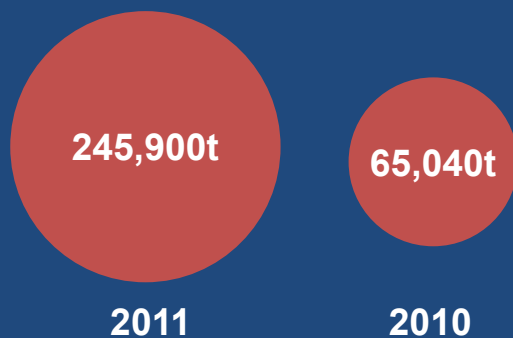
## Financial Performance

	FY 2011	FY2010
• Revenue	75.4	54.0
• EBITDA	-3.9	-1.0
• EBITDA margin (%)	neg.	neg.
• EBIT	-14.0	-50.2
• EBIT margin (%)	neg.	neg.



## Production (tonnes):

	FY 2011	FY2010
Mining:	159,455	n/a
Processing:	86,445	65,040



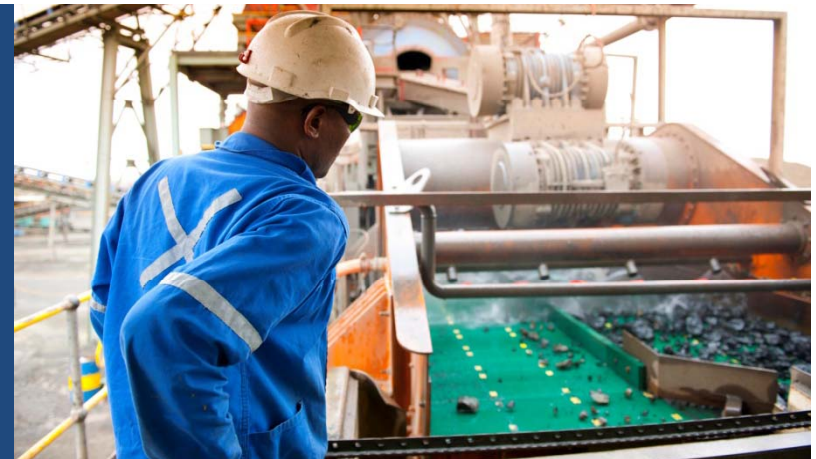
## Key Achievements:

- Vertical integration of Stellite mine with Mogale processing plant
- Successful ramp-up of production at Stellite
- Mineral reserves declared at Stellite for first time
- Production increased at Mogale by 33%

## Q1 2012 Performance

### Group Financial Performance

	Q1 2012	Q1 2011
• Revenue	46.7	34.8
• EBITDA	2.8	3.5
• EBITDA margin (%)	6.0	9.9
• EBIT	-4.1	-3.6
• EBIT margin(%)	neg.	neg.



### Production (tonnes):

	Q1 2012	Q1 2011
Mining	74,489	51,985
Processing	16,678	35,823

91,167t

Q1 2012

87,808

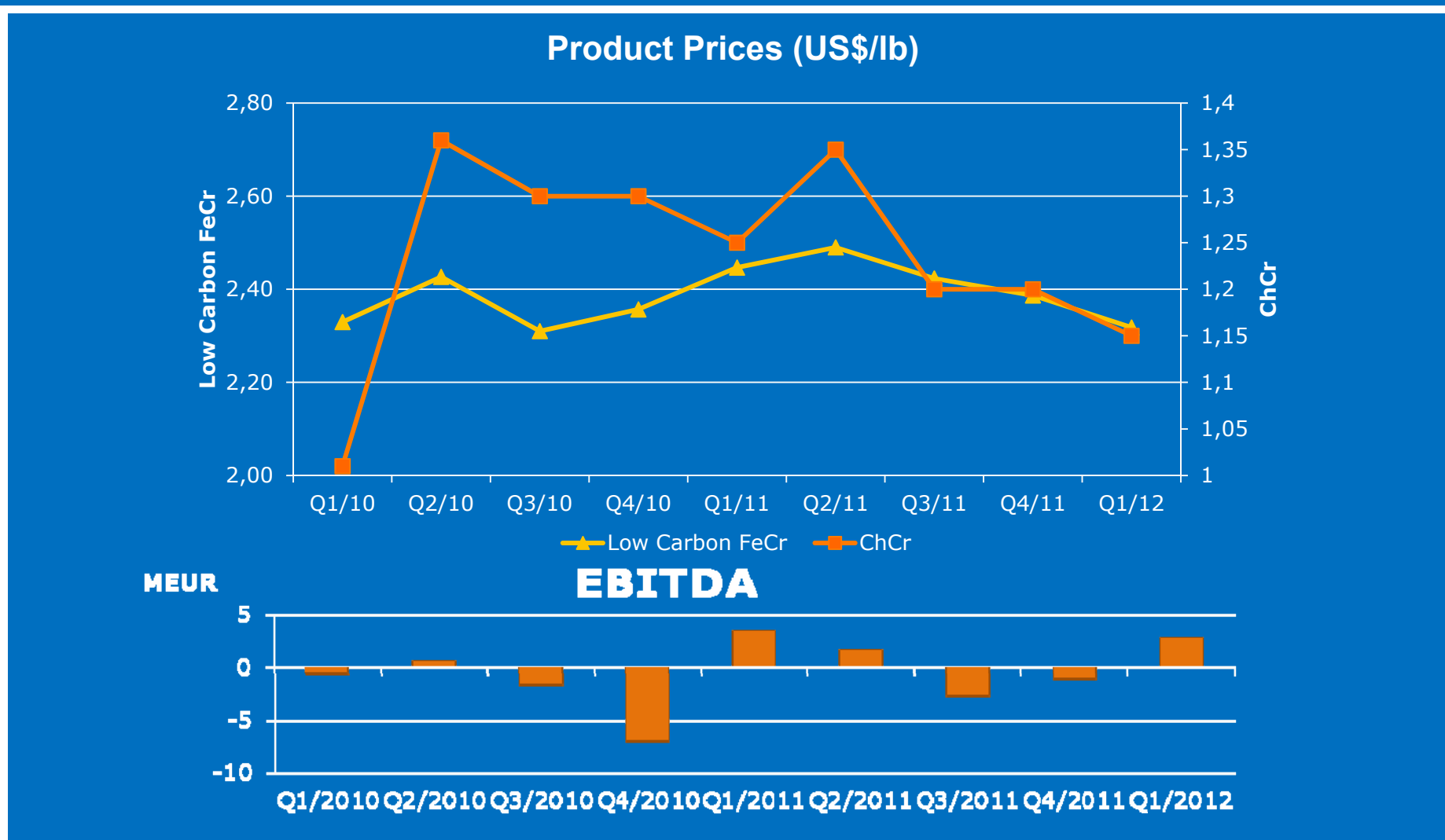
Q1 2011

### Key Achievements:

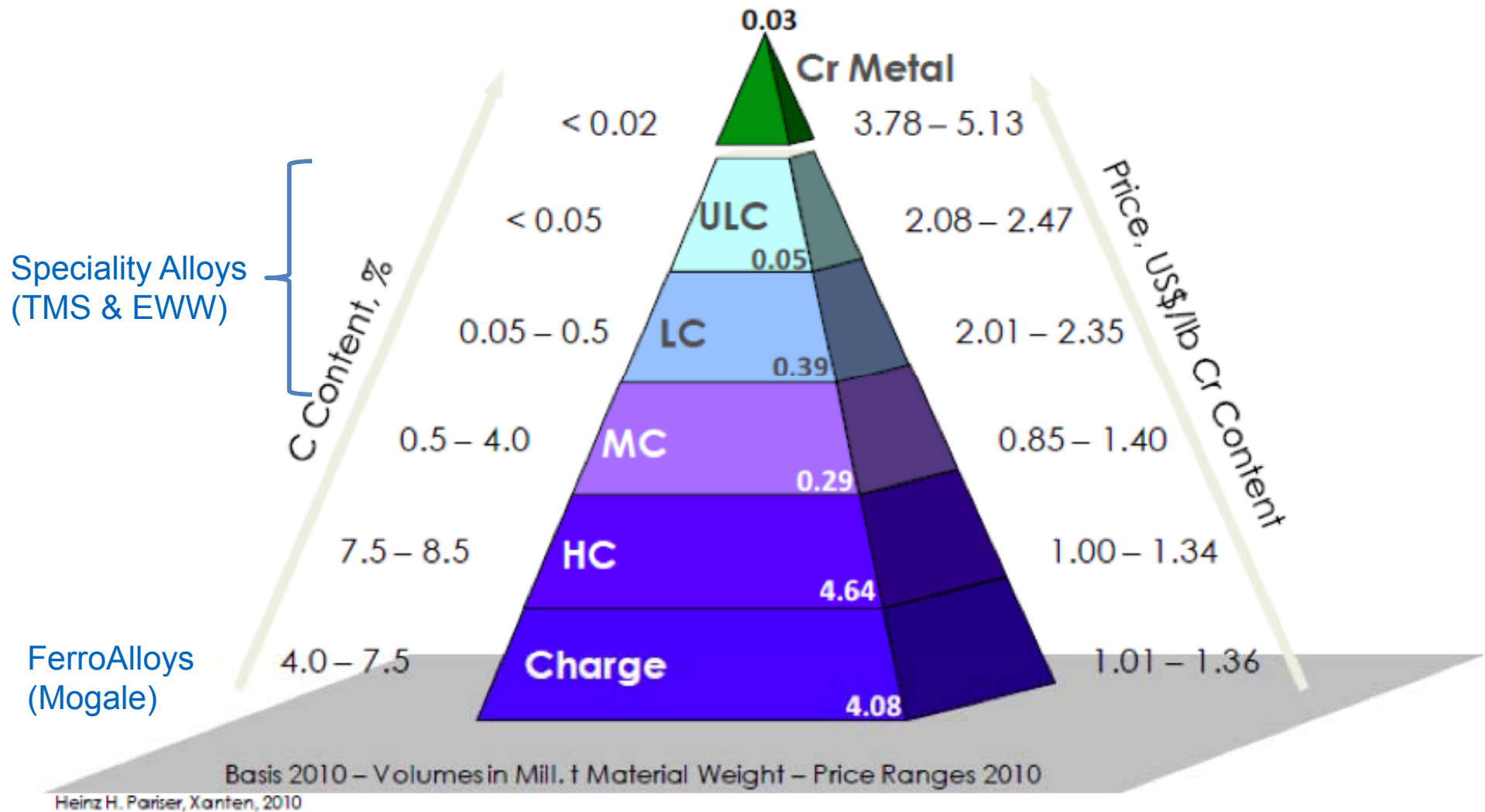
- Revenue increased by 34% y-o-y
- Production increased
- EBITDA improved quarter on quarter despite weak demand & low prices
- Speciality Alloys performing well despite challenging market conditions
- Mogale and chrome ore market impacted by Eskom electricity buy-backs



## Profitability



## Our Diversified Product Range is a Competitive Advantage





**Our Target is Zero Harm to Our Employees, Our Local Communities and Our Environment**



## Our Target is Zero Harm

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- 2011 safety performance marred by a regrettable fatality at Stellite mine
- Group focused on FerroAlloys with integration of Chromex
  - Standardised health, safety & environmental policies
  - Social and Labour Plan at Stellite mine reviewed
  - Medical Aid introduced to all employees in South Africa
  - Environmental studies carried out at Mogale
  - Mogale successfully awarded ISO 9001 accreditation
- 2012 priority is to roll-out standardised health & safety processes across all the Group's operations







Our community projects are focused on supporting children with much-needed nutritional and educational support



# Investment Proposition

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- Vertically integrated business capturing the whole value chain from mine to customer
  - Flexible production units
  - Products adapted to meet customer requirements
- Proven track record of successful growth, strategically driven
- Diversified product mix a competitive advantage, offering protection in challenging market conditions





Ruukki is well positioned to weather the current challenging market conditions with integrated operations from mine to customer, a diversified product range and strong growth prospects.



# Appendices





## Corporate Information

<b>Shares in issue</b>	<b>248,432,000</b>
Market Cap (14 May 2012)	£145m €191m
Year End	31 December
Brokers	Investec / RBC
<b>LSE</b> 52wk high 52wk low	RKKI 152p 58p
<b>OMX Helsinki</b> 52wk high 52wk low	RUG1V €1.65 €0.71

### Management Team

Thomas Hoyer	CEO
Dr Danko Koncar	Enterprise Director
Dr Stefano Bonati	Chief Commercial Officer
Markus Kivimäki	General Manager: Corporate Affairs & Company Secretary
Kalle Lehtonen	General Manager: Finance
Dr Alistair Ruiters	Executive Chairman, Ruukki South Africa

### Major Shareholders

	%
KERMAS	29
ATKEY	21
FINALINE	11
HINO RESOURCES	6
MARKKU KANKAALA (Founder)	3
MONCHEUR & CIE	3
VEIKKO ESA HUKKANEN (Founder)	2
HANWA	1


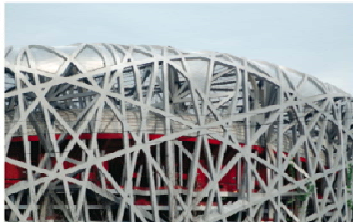

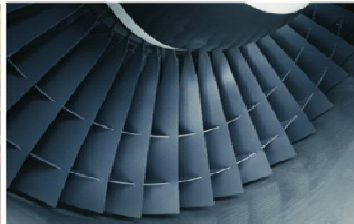
### Analyst Coverage

Tim Huff	RBC Capital Markets
Hunter Hillcoat	Investec

# Ruukki's Product Range Supplying Global Customers

## THE RUUKKI PRODUCT RANGE

*Increasing the value added* →

Product	Chrome Ore	Charge Chrome Stainless Steel Alloy	Silico Manganese	Low Carbon Ultra Low Carbon Speciality Low Carbon Ferrochrome
Customers	Ferrochrome smelters	Stainless steel mills	Carbon steel mills	Tool & high speed steels Engineering steel High strength low alloy steel Carbon steel mills
End-use sectors	Stainless steel mills	Cutlery Automotive Appliance Construction Architectural Rail Chemical applications	Automotive Construction Infrastructure Housing Appliance Shipbuilding Industrial machinery Rail	Aerospace Automotive Engineering Plastics Machinery Yellow goods (mining equipment) Structural applications Nuclear power plant tubing/pipes
				

# Group Structure

## RUUKKI GROUP'S ASSET STRUCTURE

