

**RUUKKI** | GROUP

## Introducing Ruukki Group



October 2010

## Who We Are

---

**Ruukki** is an integrated mining and minerals producer supplying specialist products to the expanding steel and stainless steel industries leveraging off its technological advantages, to fuel sustainable growth.



## Corporate Information

Extensive industry experience & knowledge from some of the world's leading mining and metals houses

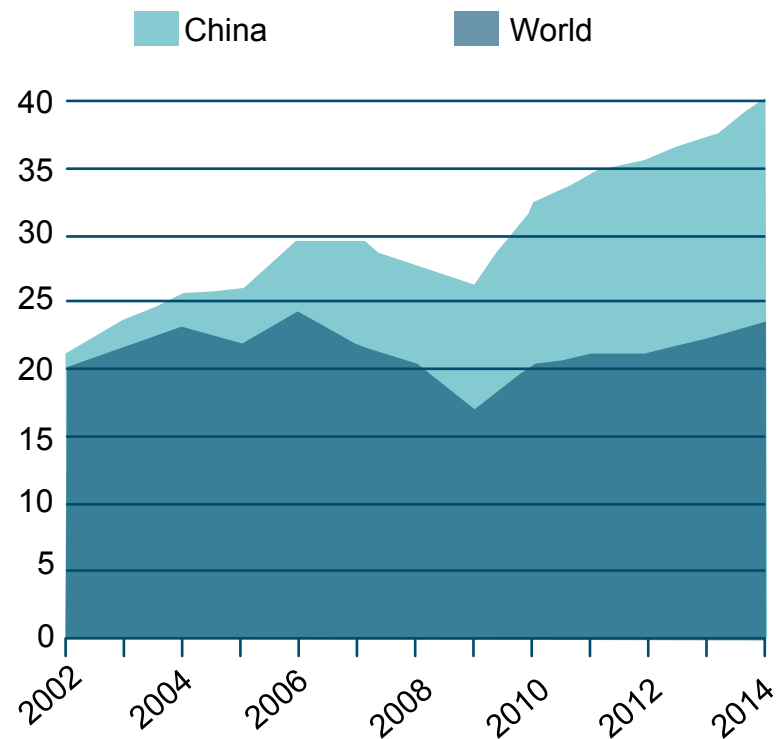
<b>Shares in issue</b>	<b>248,207,000</b>
LSE	RKKI
52wk high	177.00p
52wk low	157.50p
Broker	Investec
OMX Helsinki	RUG1V
52wk high	€2.68
52wk low	€1.00
Year End	31 December
Q3 2010 Results	11 November 2010

Name	Experience
Dr Jelena Manojlovic (Chairman)	Established university lecturer, +35 yrs experience human resources & public sector management
Dr Chris Pointon (Deputy Chairman)	+40 yrs industry experience, including Shell, Gencor, Billiton & BHP Billiton
Dr Danko Koncar (Acting MD)	+40yrs business experience, including +20 yrs in ferrochrome, ex-owner of Samancor
Philip Baum (NED)	Former senior executive at Anglo American for +31 yrs, including CEO of Ferrous Metals
Paul Everard (NED)	+40 yrs in natural resources industry, including +25 yrs as in senior management at Shell, Billiton & BHP Billiton
Barry Rourke (NED)	Former audit partner at PWC for 17 yrs, extensive international experience, holds a number of NED positions
Markku Kankaala (NED)	Former Ruukki CEO, entrepreneur in wood products industry

## Strong, Long Term Fundamentals, Short Term Volatility

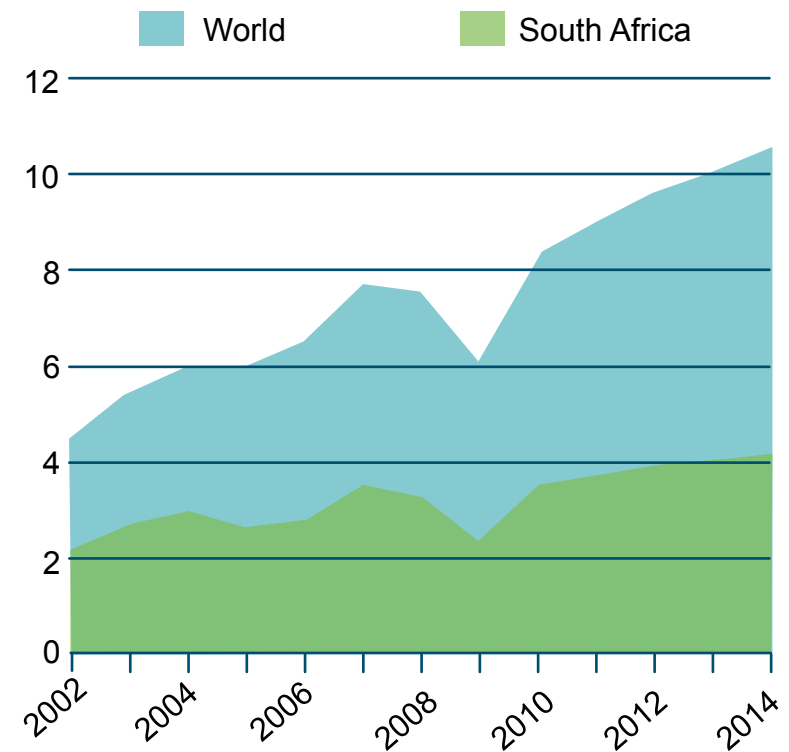
**Stainless steel output, m tonnes,**  
CRU August 2010

**Demand**



**Ferrochrome output, m tonnes,**  
CRU August 2010

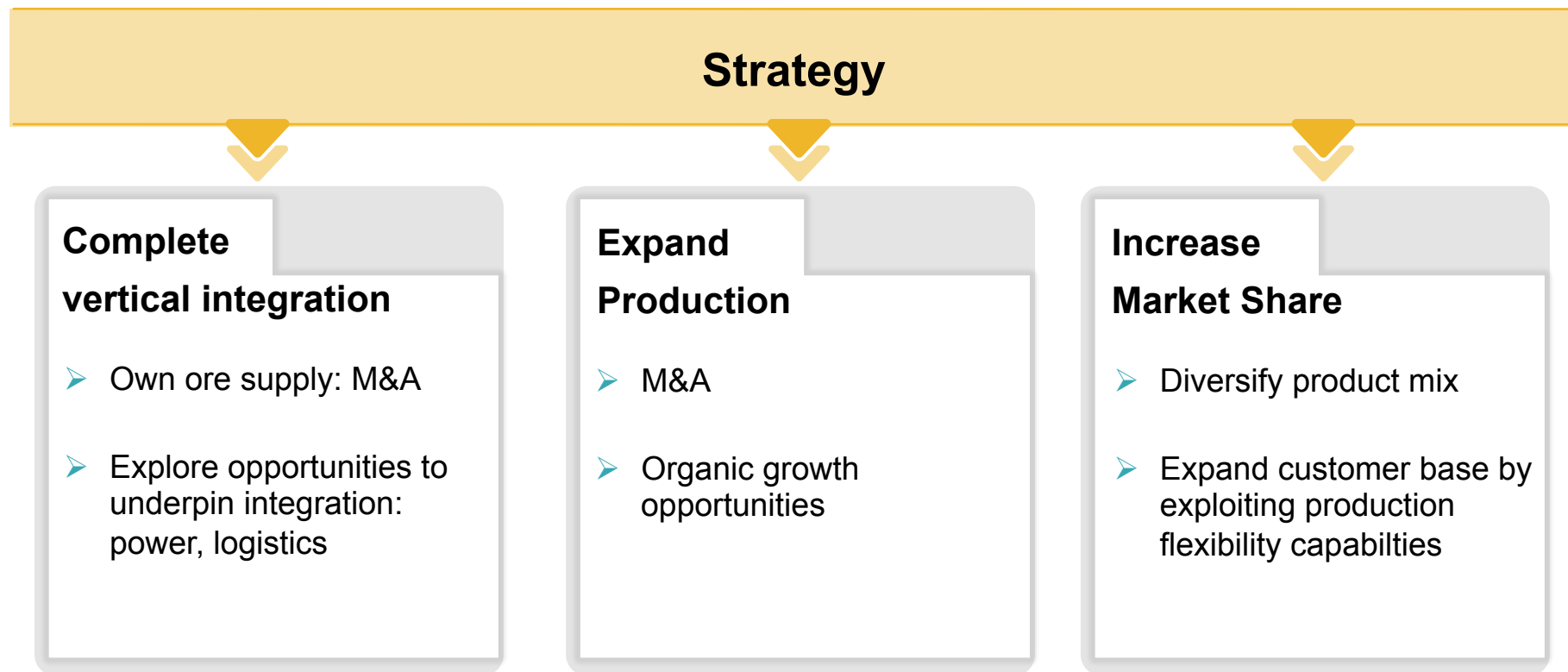
**Supply side**



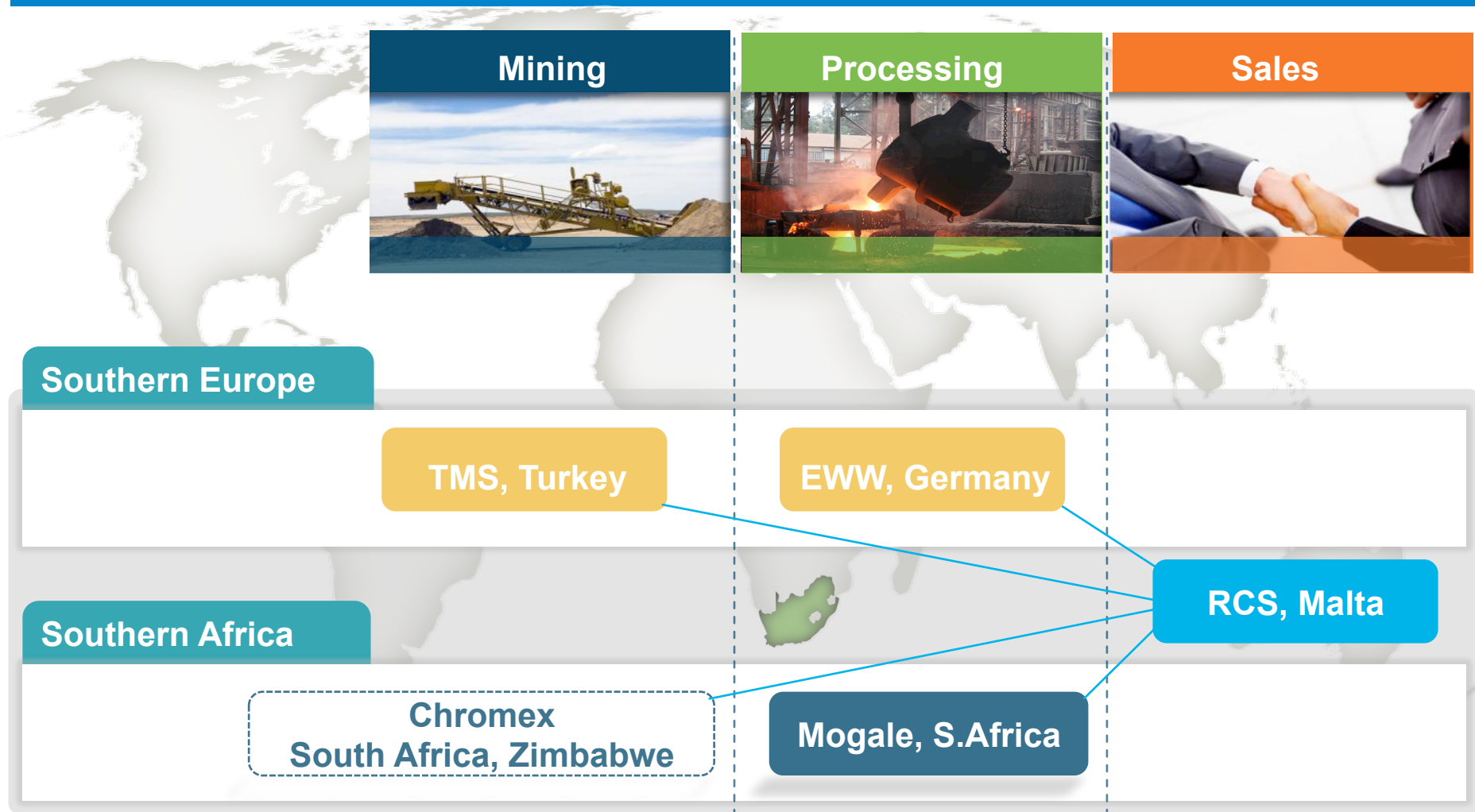
# Delivering A Clearly Defined Strategy for the Mining & Minerals Business

## **Ambition:**

To be a profitable, integrated mining house, focused on the supply of specialist products to the stainless steel and steel industries, optimising value to shareholders through sustainable growth and efficient management of our operations



## Our Asset Base





# TMS - Turkey

TMS mines and processes special grade chromite concentrates and lumpy chrome ore

## Top 3 chrome ore producers in Turkey

### Two operations comprising:

- Open pit & underground mining operations
- Processing facilities, including recently commissioned new chromite concentrator
- New processing facility able to process very low grade feeding material & obtain high grade concentrate at low cost
- 27 chrome ore exploration concessions
- Lumpy chrome ore sold directly to stainless steel manufacturers in China & India
- Chromite concentrates processed, via EWW, into low carbon and ultralow carbon ferrochrome and then sold by RCS

Installed production capacity	60,000tpa
-------------------------------	-----------



# EWW - Germany

EWW is a specialised minerals processing business

## Overview:

- 5 year tolling agreement
- RCS is sole distributor of EWW products
  - When agreement expires, Ruukki has option to acquire EWW
- Submerged arc furnace to process TMS & third party chromite concentrates
- Produces highly specialised low carbon and ultralow carbon ferrochrome products
- Market leader of specialist products to US super alloy industry





# Ruukki SA - Mogale Alloys

Produces: charge chrome ferrochrome, silico manganese, stainless steel alloy

## Overview:

- Acquisition of 84.9% stake in May 2009
- Currently sourcing local ore supply
- Products marketed by RCS
- Produces range of diversified products
- DC Technology a competitive advantage

## Four furnaces:

- 2x DC plasma arc furnace
- 2x submerged arc furnaces

Production capacity: 42,000t stainless steel alloy

Production capacity: 50,000t charge chrome  
ferrochrome

Production capacity: 48,000t silico manganese



## Transaction Overview

---

Recommended  
all cash offer  
for **£37 million**

Logical transaction, achieves all three strategic objectives:

- ✓ completes vertical integration of the southern African business
- ✓ increases production capacity
- ✓ it expands our market share

Chromex is AIM listed: CHX

- ✓ Total of 41Mt of chromite resources
- ✓ New order mining rights
- ✓ BEE partners

Consolidates Ruukki's presence in one of the world's premier chromite mining regions

## Acquisition of Chromex Secures Ruukki's SA Growth Plans

### Logical Transaction

#### Vertical integration

- ✓ South African operations
- ✓ Secures own ore supply, immediately accessible, new order mining rights
- ✓ Sizeable resource of 41Mt offers operational longevity

#### Increases production

- ✓ Increase in production volumes with addition of Stellite mine
- ✓ Stellite's monthly production to double once DMS commissioned
- ✓ Medium term potential to increase production from underground resource

#### Production capabilities

- ✓ Provides feed for two planned DC furnaces (total capacity: 280,000tpa)
- ✓ Additional upside to be potentially realised from Mecklenberg & Waylox

#### Synergies

- ✓ In operational expertise, human resources, cost savings and efficiencies

#### Consolidation

- ✓ Consolidates Ruukki's presence in one of the world's premier chromite mining regions

# Vertical Integration & Expansion Potential

## The Stellite Mine

<b>Regulatory</b>	New Order Mining Rights (includes PGMs and gold)
<b>Status</b>	Mining recommenced in Jan 2010
<b>Resources (Inc.)</b>	31.9Mt
<b>Reserves</b>	–
<b>Seams</b>	LG6, LG6a, MG1, MG2, MG4L, MG4U
<b>Mining Method</b>	Multi-seam open cast mining with underground potential still to be defined
<b>Production</b>	Currently 20ktpm (ROM), will increase to 40ktpm once DMS commissioned
<b>Product</b>	Metallurgical grade sands – will include sized lumpy product when DMS completed

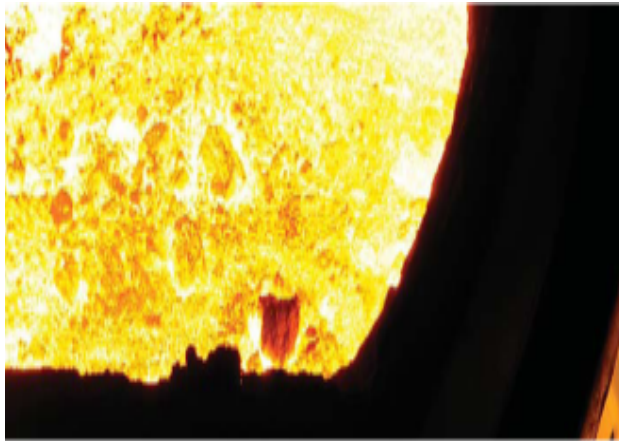
## The Mecklenberg Project

<b>Regulatory</b>	New Order Mining Rights
<b>Status</b>	Pre-development
<b>Resources (Inc.)</b>	9.1Mt
<b>Reserves</b>	5.7 Mt
<b>Seams</b>	LG6, LG6a
<b>Mining Method</b>	Single seam underground operation accessed on-reef from surface decline/s
<b>Product</b>	Lumpy & chip ore, metallurgical, chemical & foundry grade sands

Source: Chromex Annual Report 2009

# Realising Ruukki SA expansion

## Framework Agreements with MCC of China



### DC Furnaces

- Total production capacity of 280,000tpa
- Design & detailed engineering underway, expected to be completed by Q4 2010
- Site selection underway, expected to be completed by end 2010
- Negotiations for formal contract with MCC expected to be completed by end Q2 2011







### Power Plant

- Expand energy options for growing operations
- MCC EPC contractor& doing Feasibility Study (FS)
- FS due to commence Q4 2010 and expected to be completed by end of Q2 2011
- Formal contract negotiations to commence on completion of FS



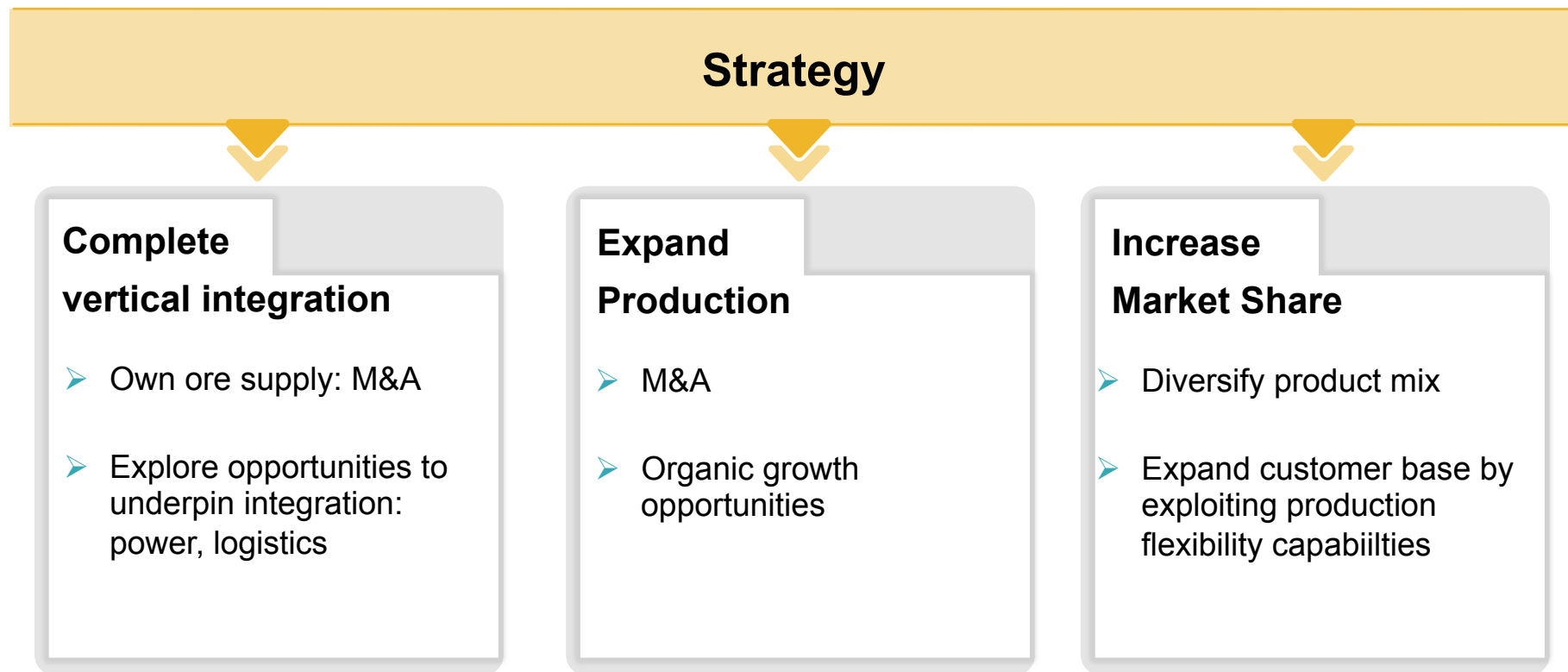
## Our Products – Chromex Further Diversifies Product Mix

		<div> <div>Chromex</div> <div>Chrome ore, Metallurgical grade Potential to produce: Foundry, Refractory and Chemical grade concentrates</div> </div>				<div>     </div>			
		<div> <div>Chrome ore</div> <div>Plasma charge ferrochrome and Stainless Steel Alloy</div> <div>Low-carbon, ultra low carbon, and specialty low carbon ferrochrome</div> <div>Silicomanganese</div> </div>							
End-use sectors		<div> <div>➤ Cutlery, automotive, appliance, construction, aerospace, rail industries</div> </div>				<div> <div>➤ Cutlery, automotive, appliance, construction, aerospace, rail industries</div> </div>			
		<div> <div>➤ Aerospace, automotive, engineering, plastics, machinery, yellow goods (mining equipment), structural applications, nuclear power plant tubing/ pipes</div> </div>				<div> <div>➤ Automotive, construction, infrastructure, housing, appliance, shipbuilding, wind turbines, industrial machinery and rail industries</div> </div>			
Customers		<div> <div>➤ Stainless steel mills</div> <div>➤ Lumpy chrome ore sold externally</div> </div>				<div> <div>➤ Chrome concentrate consumed internally at EWW</div> <div>➤ Lumpy chrome ore sold externally</div> </div>			
		<div> <div>➤ Stainless steel mills</div> <div>➤ Tool &amp; high speed steels, engineering steel high strength low alloy steel, carbon steel mills</div> </div>				<div> <div>➤ Carbon steel mills</div> </div>			

# Delivering A Clearly Defined Strategy for the Mining & Minerals Business

## **Ambition:**

To be a profitable, integrated mining house, focused on the supply of specialist products to the stainless steel and steel industries, optimising value to shareholders through sustainable growth and efficient management of our operations



# RUUKKI | GROUP



October 2010