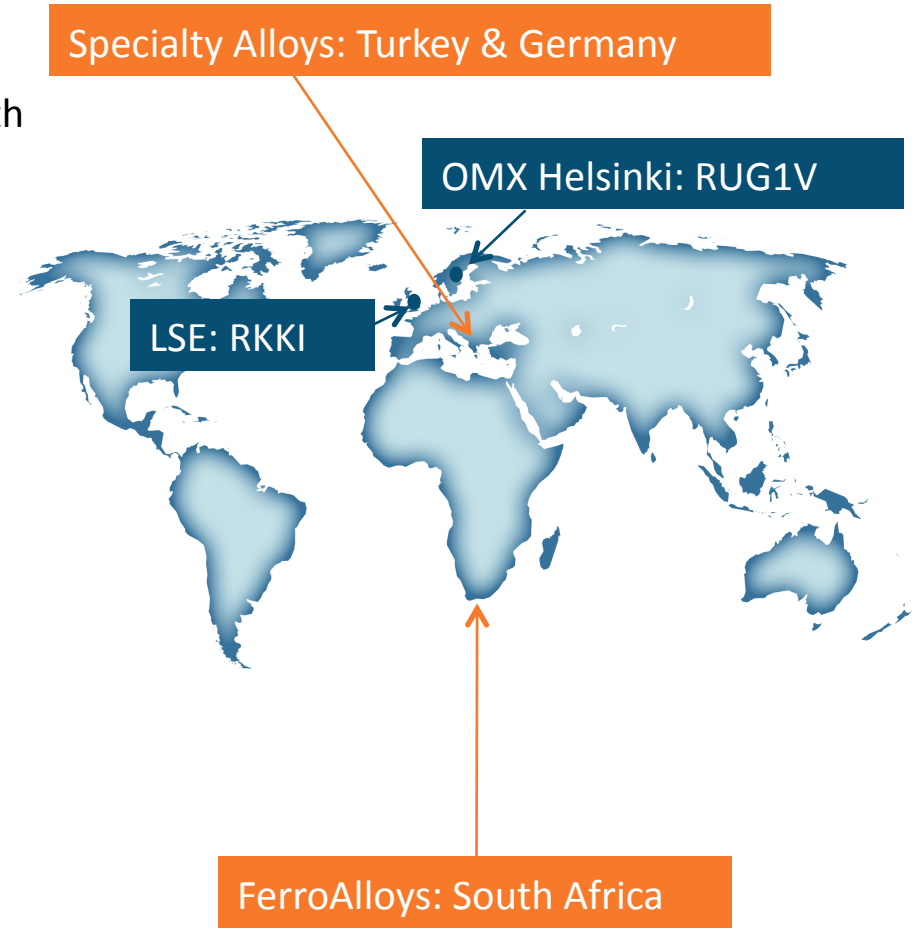

RUUKKI | GROUP

June 2011

# Company Highlights

- Ruukki is a publicly listed, vertically integrated (ore to product) ferrochrome producer with strong growth
- Ruukki supplies specialist products to the high growth steel & stainless steel industries and has strong sales relationships with key China & Asian buyers
- Ruukki's DC smelting technology is approx 20% cost efficient over conventional ferrochrome smelting processes
- Ruukki's chromite resources sufficient for +20 years post expansion
- Ruukki has highly experience board & management team (eg. ex-Anglo American, BHP Billiton, Lonmin)
- Ruukki has strong cash position (€100m) provides corporate flexibility
- Ruukki is targeting to be profitable, Top 5 global ferrochrome producer through expansion of production & increased sales



# Ruukki is an Integrated Mine to Metals Ferrochrome Producer

**Mining**

**Processing**

**Products**

## FerroAlloys (South Africa)

**Stellite Mine**
**300,000tpa* ROM**
**(end 2011)**

**Mogale Alloys**
**110,000tpa***
**FeCr | SiMn**

Chrome Ore Exports
Plasma Charge Ferrochrome
Silico Manganese
Chromite Concentrates

**Centralised Sales & Marketing**
**RCS**

## Speciality Alloys

**TMS, Turkey**
**120,000tpa* ROM**

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

Chrome Ore Exports
Low Carbon & Ultra Low Carbon
Speciality Low Carbon

*Installed capacity

# Developing South African Organic Growth Opportunities

## Phase 1: Short Term
### Increase Chrome Ore Production & Sales

- Expand production at Stellite, “base load”
  - Relatively low capex to substantially increase production
- Develop Mecklenberg
  - Under Feasibility
- Increase chrome ore exports to China
  - Generate cash flow

## Phase 2: Medium Term
### Expand Processing Capacity

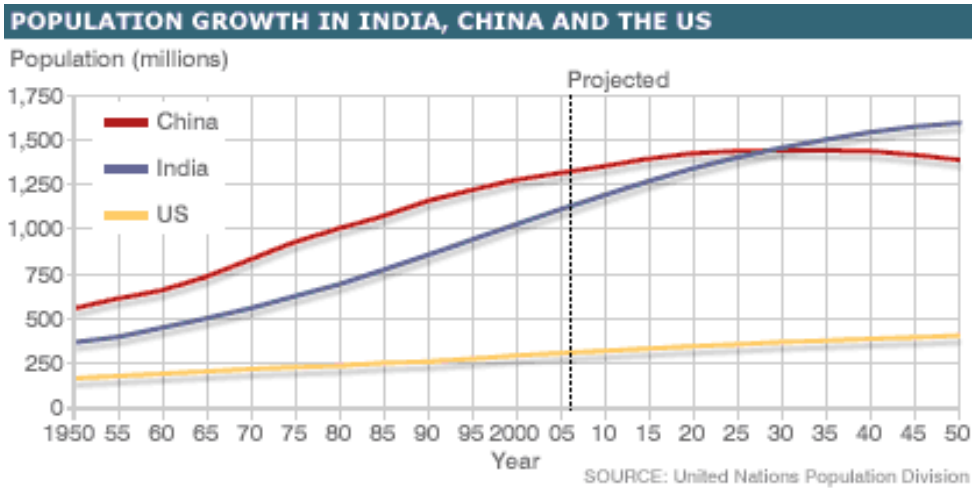
- 2 DC Furnaces, 70MW each, total installed production capacity of 280,000tpa
- Site selection & feasibility work underway
- 24 month construction period
- In discussion with major Asian corporates for financing & construction

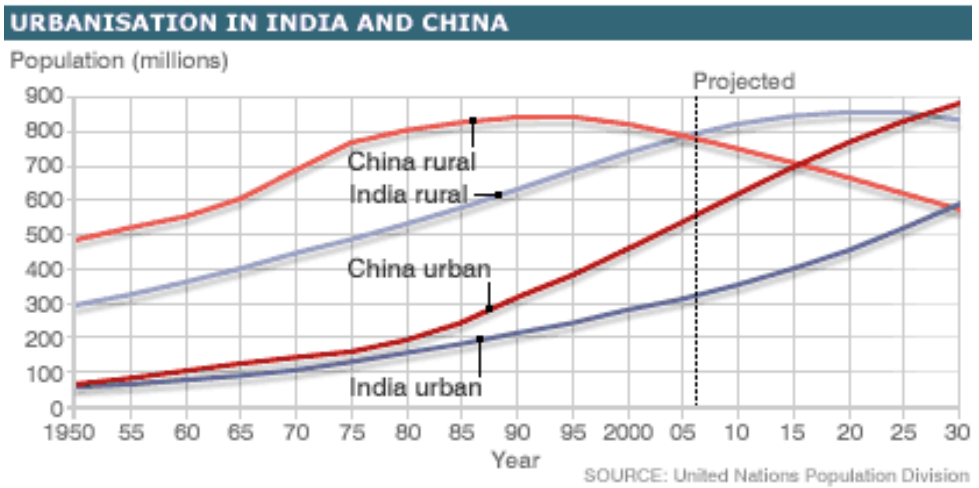
## Phase 3: Long Term
### Secure Power Supply & Industry Consolidation

- Secure power supply to manage key cost input, either own plant or in partnership with industry partners
- Participate in industry consolidation: strong balance sheet (€100m cash) provides good base

# One Third Rule: China & India are Driving Force of World Economy

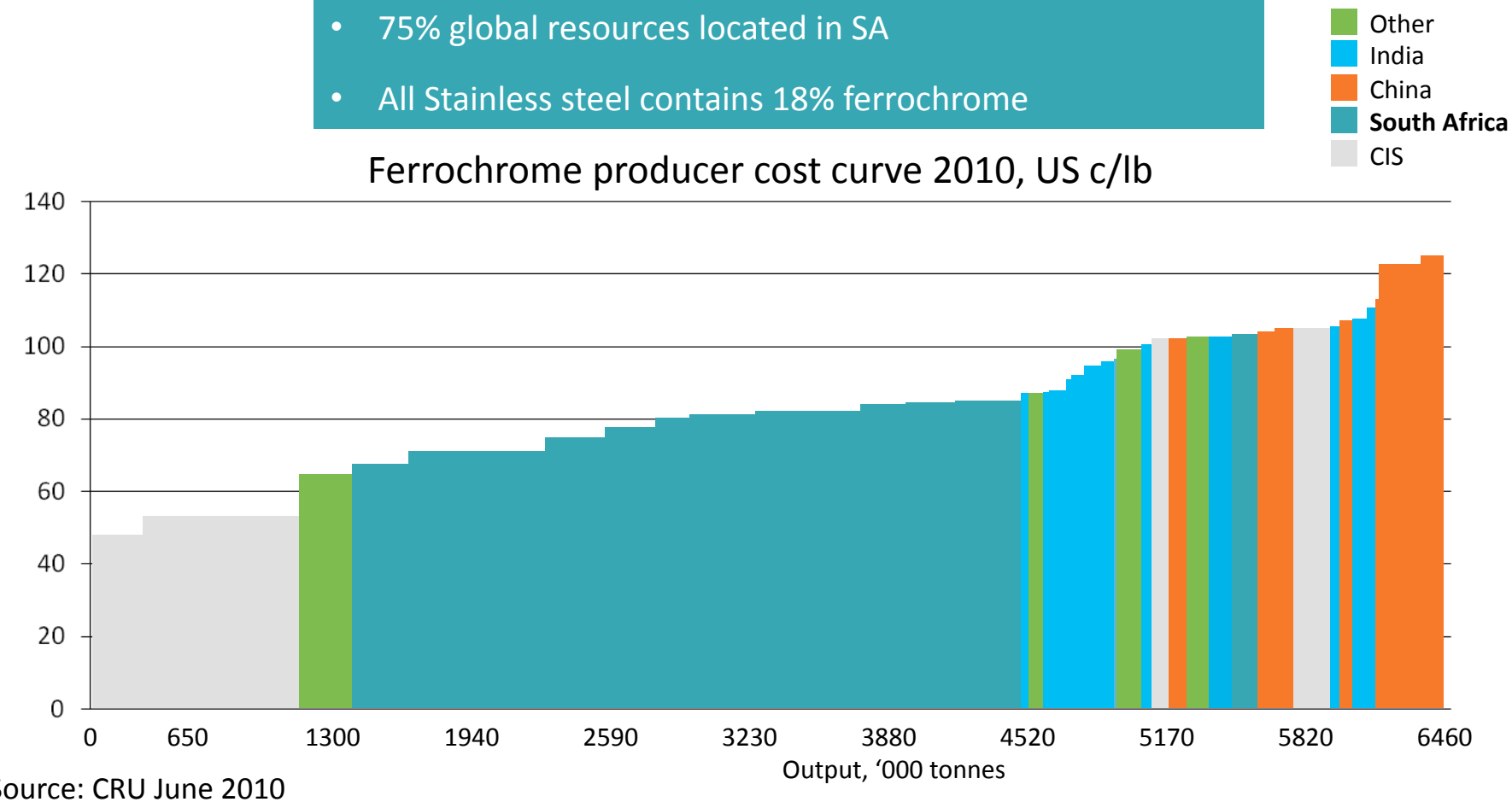
- China & India will continue to consume more & more raw material as their populations grow, develop & urbanise
- China has announced plans to US$ 2 trillion in the next 10 years, and build the size of Hong Kong each year for the next 20 years
- India's higher birth rate will narrow the gap - UN expects it to overtake China before 2030
- Both countries are experiencing rapid growth in their urban populations
- In China, number of people in towns and cities likely to exceed the number in the countryside by 2015



# South Africa: World's largest Chrome Resources will Supply Production Growth

- 50% global production from SA
- 75% global resources located in SA
- All Stainless steel contains 18% ferrochrome




Source: CRU June 2010

# Ruukki: Designed to Deliver Sustainable Growth

## Vertically Integrated

From mine to product

Ownership of customer

Full control of supply chain

Ensures efficiencies, flexibility & fast reaction to markets

## Competitive Advantage: DC Technology

Approx 20% cheaper operating costs

Offers product flexibility = preferred supplier

Mogale world class centre of excellence: human resources & technological know-how

## Phased Growth

Increase chrome production

Expand processing capacity

Secure power to manage key cost input

Participate in industry consolidation

**Unlock Value to Deliver Profitable, Sustainable Growth**

**Targeting Top 5 Global Chrome Producer**

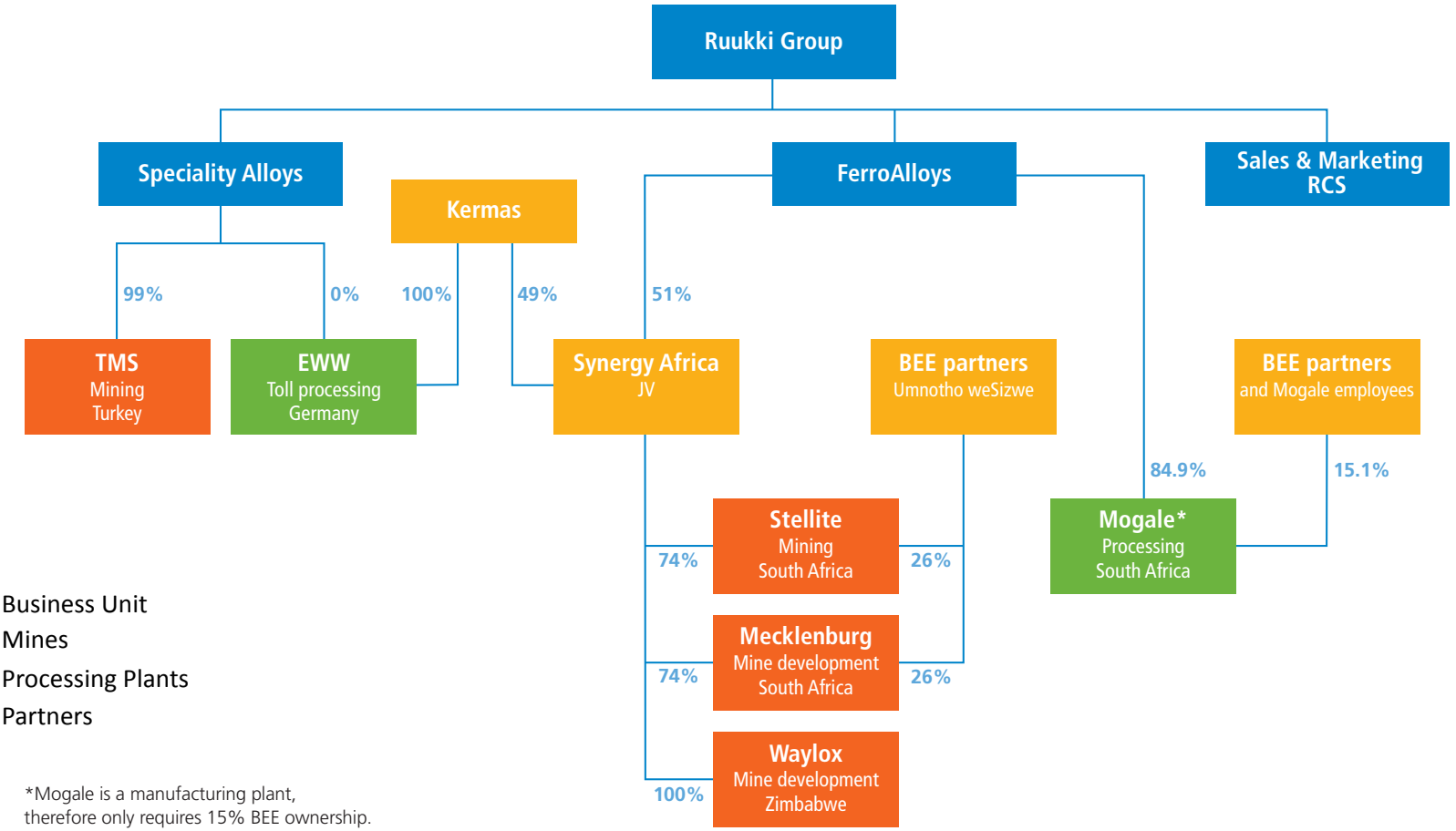
# Appendices

RUUKKI | GROUP



# Group Structure

RUUKKI GROUP'S ASSET STRUCTURE




*Mogale is a manufacturing plant, therefore only requires 15% BEE ownership.

# Corporate Information

| | |
|---|---|
| **Shares in issue** | **248,207,000** |
| Market Cap (30 May 2011) | £366m<br>€407m |
| Year End | 31 December |
| Brokers | Investec / RBC |
| **LSE**<br>52wk high<br>52wk low | RKKI<br>177.00p<br>144.50p |
| **OMX Helsinki**<br>52wk high<br>52wk low | RUG1V<br>€2.03<br>€1.00 |

| Management Team | |
|---|---|
| Thomas Hoyer | CEO |
| Dr Danko Koncar | Enterprise Director |
| Theuns de Bruyn | Chief Operating Officer |
| 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 |
| HANWA | 12 |
| NORDEA BANK | 7 |
| EVLI BANK NOMINEES | 7 |
| JP MORGAN ASSET MGMT | 5 |
| S.E.B NOMINEES | 4 |
| MARKKU KANKAALA (Founder) | 3 |
| MONCHEUR & CIE | 3 |
| HINO RESOURCES | 3 |
| VEIKKO ESA HUKKANEN (Founder) | 2 |

| Analyst Coverage | |
|---|---|
| Tim Huff | RBC Capital Markets |
| Hunter Hillcoat | Investec |

# Highly Experienced Board

Extensive industry experience and knowledge from some of the world's leading mining and metals houses, underpinned by strong financial expertise

**DR. JELENA MANOJLOVIC**
Chairman (2008)

Over 35 yrs experience in HR & 20 yrs in management positions in range of organisations, including NHS.

**PHILIP BAUM**
INED (2010)

Former senior executive at Anglo American for more than 30yrs, including CEO of Ferrous Metals.

**PAUL EVERARD**
INED (2010)

Former senior executive at with Shell, Billiton and BHP Billiton with over 40yrs experience, +25yrs in senior management.

**MARKKU KANKAALA**
NED (2003)

Founder & former CEO

**DR. CHRIS POINTON**
Deputy Chairman & INED (2010)

Over 40 yrs industry experience, including Shell, Gencor, Billiton & BHP Billiton. 15 yrs managing stainless steel raw materials businesses

**BARRY ROUKE**
Senior INED (2010)

Former audit partner at Pricewaterhouse Coopers for 17yrs with extensive international experience. Holds a number of NED positions

**THOMAS HOYER**
Chief Executive Officer

Appointed CEO in April 2011, previously Group CFO & CEO of Wood Business. Over 15yrs experience in portfolio management, private equity, finance and management.

**DR. DANKO KONCAR**
Enterprise Director

Over 20yrs experience in the ferrochrome industry, ex-owner of Samancor Chrome. Chairman of Kermas, Ruukki's largest shareholder.

# South African Reserves & Resources

**South African mineral Resources and Reserves**

**Stellite opencast**

| Chromite Seam | Tonnes (mt) | Cr2O3 | Cr:Fe | Classification |
|---|---|---|---|---|
| LG6 | 0.52 | 40.8 | 1.5 | Inferred |
| LG6A | 0.27 | 38.8 | 1.4 | Inferred |
| MG1 | 0.98 | 39.8 | 1.4 | Inferred |
| MG2 | 1.57 | 36.9 | 1.3 | Inferred |
| MG4L | 1.83 | 36.0 | 1.3 | Inferred |
| MG4U | 1.34 | 36.0 | 1.3 | Inferred |
| **Total** | **6.50** | **37.3** | **1.3** | |

**Stellite underground**

| Chromite Seam | Tonnes (mt) | Cr2O3 | Cr:Fe | Classification |
|---|---|---|---|---|
| LG6 | 7.81 | 40.8 | 1.5 | Inferred |
| LG6A | 3.98 | 38.8 | 1.4 | Inferred |
| MG1 | 3.63 | 39.8 | 1.4 | Inferred |
| MG2 | 3.29 | 36.9 | 1.3 | Inferred |
| MG4L | 3.85 | 36.0 | 1.3 | Inferred |
| MG4U | 2.66 | 36.0 | 1.3 | Inferred |
| **Total** | **25.23** | **38.3** | **1.4** | |

SAMREC compliant Mineral Resources for the Stellite property have been estimated on the basis of the 46 boreholes drilled on the property which usable data was available.

The following mineral resource tonnage were calculated for the LG6, LG6A, MG1, MG2 and MG4 chromite layers. A depth of 40m below surface was selected as an indicative opencast limit and the tonnage contributions modelled and calculated to provide a guide as to the total opencastable resource available at Stellite.

**Mecklenburg underground mineral resource**

| Chromite Seam | Tonnes (mt) | Cr2O3 | Cr:Fe | Classification |
|---|---|---|---|---|
| LG6 | 2.43 | 43.6 | 1.7 | Measured |
| LG6A | 0.81 | 42.8 | 1.7 | Measured |
| LG6 | 1.95 | 43.9 | 1.7 | Indicated |
| LG6A | 0.67 | 42.6 | 1.7 | Indicated |
| LG6 | 2.37 | 42.3 | 1.7 | Inferred |
| LG6A | 0.82 | 41.1 | 1.7 | Inferred |
| **Total** | **9.05** | **43.0** | | |

**Mecklenburg underground mineral reserve**

| Chromite Seam | Tonnes (mt) | Cr2O3 | Cr:Fe | Classification |
|---|---|---|---|---|
| LG6 | | | | |
| LG6A | 3.15 | 26.8 | 1.7 | Proved |
| LG6 | | | | |
| LG6A | 2.53 | 26.8 | 1.7 | Probable |
| **Total** | **5.68** | **26.8** | **1.7** | |

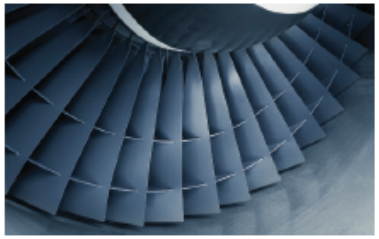
The 9.05 Mt LG6 and LG6A Chromite Layer resource is quoted as an in-situ resource with no depletions or reserve modifying factors applied. Due to the historical understanding of the orebody it is felt that the inferred resource can be mined at a high degree of confidence. Furthermore, as the mining operations expand and add to the geological database, confidence will increase rapidly.

Geological and mining losses, recovery (percentage extracted) and dilution were applied to the Measured and Indicated Mineral Resources in order to estimate a Proved and Probable Mineral Reserve.

The Group will conduct an independent study of its resources and reserves in Turkey in 2011.

# Ruukki's Product Range Supplying Global Customers

*Increasing the value added*

| | | | | |
|---|---|---|---|---|
| **Product** | **Chrome Ore** | **Plasma Ferrochrome 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<br>Engineering steel<br>High strength low alloy steel<br>Carbon steel mills |
| **End-use sectors** | Stainless steel mills | Cutlery<br>Automotive<br>Appliance<br>Construction<br>Architectural<br>Rail<br>Chemical applications | Automotive<br>Construction<br>Infrastructure<br>Housing<br>Appliance<br>Shipbuilding<br>Industrial machinery<br>Rail | Aerospace<br>Automotive<br>Engineering<br>Plastics<br>Machinery<br>Yellow goods (mining equipment)<br>Structural applications<br>Nuclear power plant tubing/pipes |
| |  |  |  |  |

# Group key figures Q1 2011

## Revenue and EBITDA increased

| EUR million | **Q1 2011** | Q1 2010 | FY 2010 |
|---|---|---|---|
| Revenue | **34.8** | 30.1 | 123.3 |
| EBITDA | **3.5** | -0.5 | -8.4 |
| | | | |
| EBIT | **-3.6** | -6.9 | -75.6 |
| | | | |
| Net Profit After Tax, continuing operations | **-3.1** | -5.3 | -65.3 |
| Net Profit After Tax, discontinued operations | **43.0** | 0.8 | 14.2 |
| Consolidated Profit | **39.9** | -4.4 | -51.1 |

Profit for the period includes EUR 40.8 million gain on disposal of the house building business.

Fluctuations of exchange rates between euro, South African rand, Turkish lira and US dollar can significantly impact the Group's financial performance

# FerroAlloys Q1 2011 Performance

## Production increased due to acquired Stellite mining asset

| EUR million | **Q1 2011** | Q1 2010 | FY 2010 |
|---|---|---|---|
| Revenue | **14.6** | 17.8 | 54.0 |
| EBITDA | **0.0** | 2.7 | -1.0 |
| | | | |
| EBIT | **-2.6** | 0.6 | -50.2 |
| | | | |
| **Production in tonnes** | | | |
| Mining | **31,987** | NA | NA |
| Processing | **28,942** | 21,169 | 65,040 |

Mining including both chromite concentrate and lumpy ore production.

Production increased due to acquired Stellite mining asset

Mogale's large furnaces operating well

Revenue & EBITDA impacted by:

- Build-up of stockpiles
- Feasibility study costs

# Speciality Alloys Q1 2011 Performance

## Production increased by new concentration plant in Turkey

| EUR million | **Q1 2011** | Q1 2010 | FY 2010 |
|---|---|---|---|
| Revenue | **20.2** | 12.1 | 69.0 |
| EBITDA | **5.0** | -0.2 | 7.8 |
| | | | |
| EBIT | **0.7** | -4.4 | -10.0 |
| | | | |
| **Production in tonnes** | | | |
| Mining | **19,998** | 6,549 | 54,917 |
| Processing | **6,881** | 1,943 | 17,994 |

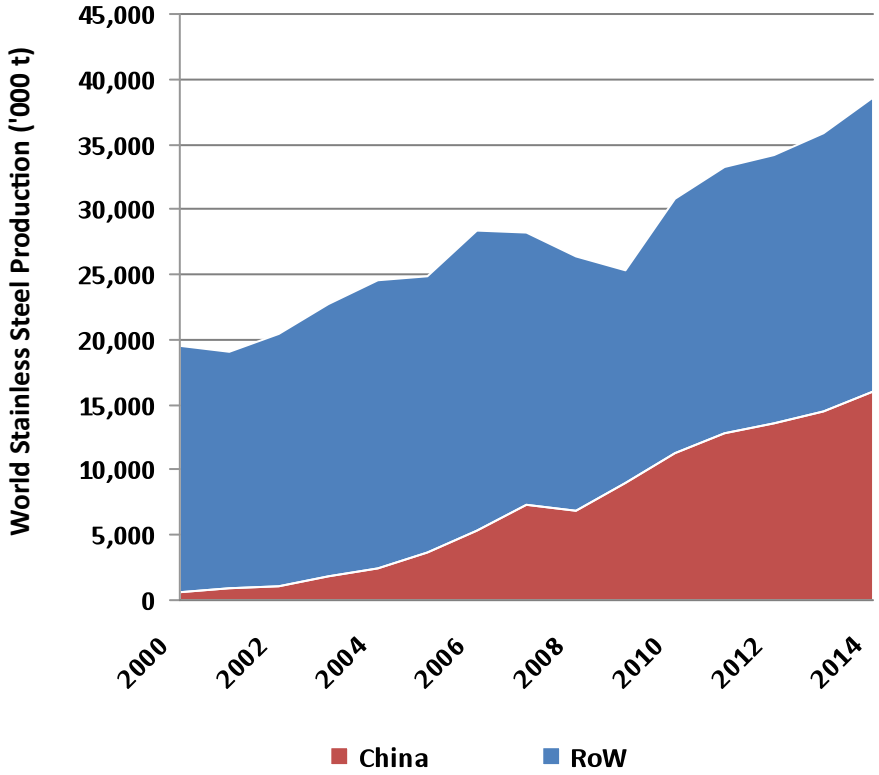
Mining including both chromite concentrate and lumpy ore production.

Substantial production increase:

- New concentrate processing plant at TMS
- Increase in mining of lumpy ore

Revenue & EBITDA increase due to increased demand & production

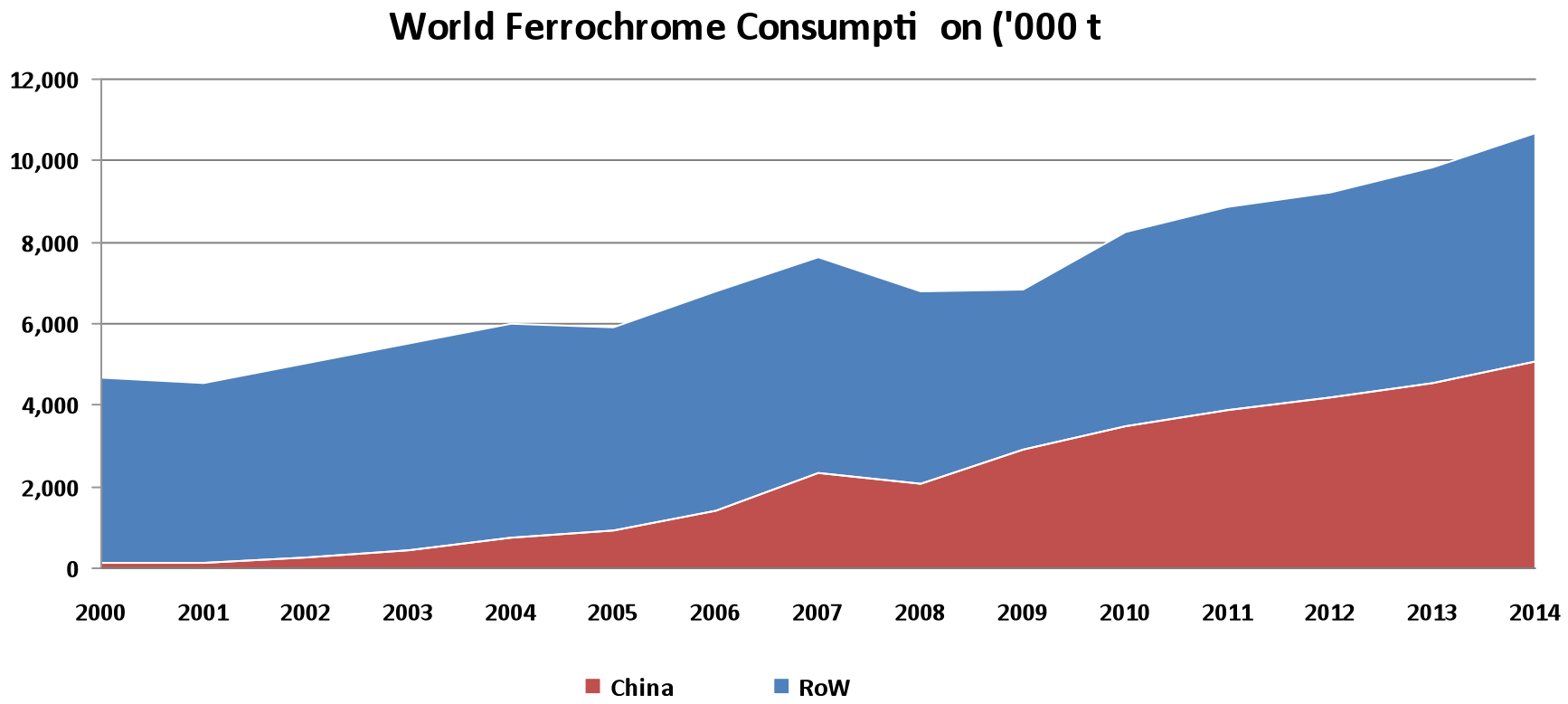
# Stainless Steel Production Expected to Increase Over Next 5 Years




| m tonnes | USA | West Europe | Japan | China | Other | World |
|---|---|---|---|---|---|---|
| **2000** | 2.36 | 7.95 | 3.83 | 0.63 | 4.71 | 19.48 |
| **2010** | 2.13 | 7.12 | 3.48 | 11.36 | 6.75 | 30.84 |
| **% change** | -10% | -10% | -9% | +1700% | +43% | +58% |
| **2014** | 2.63 | 7.87 | 3.82 | 16.02 | 8.25 | 38.59 |
| **% change** | 24% | 10% | 10% | 41% | 22% | 25% |

Source: CRU, Stainless Steel Production

# All Stainless Steel Contains 18% Ferrochrome




Source: CRU Ferrochrome Market Service August 2010