

07:00 London, 09:00 Helsinki, 10 November 2011 - Ruukki Group Plc ("Ruukki" or "the Company") (LSE: RKKI, OMX: RUG1V) Interim Report

## RUUKKI GROUP PLC'S Q3 INTERIM REPORT FOR 1 JULY–30 SEPTEMBER 2011

### HIGHLIGHTS

- Production increased by 176% to 86,401 (Q3/2010: 31,257) tonnes
- Revenue from continuing operations increased 46.1% to EUR 42.4 (Q3/2010: 29.0) million
- EBITDA from continuing operations was EUR -2.7 (Q3/2010: -1.6) million and the EBITDA margin was -6.3% (Q3/2010: -5.4%)
- EBIT from continuing operations was EUR -9.6 (Q3/2010: -8.7) million
- Profit for the period from continuing operations totalled EUR -6.5 (Q3/2010: -6.4) million
- Cash flow from operations was EUR -5.4 (Q3/2010: -3.4) million and liquid funds at 30 September 2011 were EUR 74.2 (30 September 2010: 21.1) (30 June 2011: 81.8) million

<b>KEY FIGURES</b>							
EUR million	<b>Q3/11</b>	<b>Q3/10</b>	<b>Change</b>	<b>Q1-Q3/11</b>	<b>Q1-Q3/10</b>	<b>Change</b>	<b>FY/10</b>
Revenue	42.4	29.0	46.1%	121.8	98.6	23.5%	123.3
EBITDA	-2.7	-1.6		2.5	-1.5		-8.4
EBITDA margin	-6.3%	-5.4%		2.0%	-1.5%		-6.8%
EBIT	-9.6	-8.7		-18.5	-21.4		-75.6
EBIT margin	-22.5%	-29.9%		-15.2%	-21.7%		-61.3%
Earnings before taxes	-8.4	-9.1		-18.2	-21.9		-76.3
Earnings margin	-19.9%	-31.2%		-15.0%	-22.3%		-61.8%
Profit for the period, continuing operations	-6.5	-6.4		-13.5	-14.3		-65.3
Profit for the period, discontinued operations	-0.2	3.8		46.9	7.6	517.1%	14.2
Profit for the period	-6.7	-2.6		33.4	-6.7		-51.1
Earnings per share, basic, EUR	-0.03	-0.02		0.14	-0.03		-0.22
Return on equity, % p.a.	-	-		18.4%	-3.2%		-19.6%
Return on capital employed, % p.a.	-	-		13.6%	-3.6%		-15.2%
Equity ratio, %	-	-		54.3%	53.9%		44.3%
Gearing, %	-	-		6.4%	28.8%		46.6%
Personnel at the end of the period	-	-		799	692		722

Continuing operations include the Speciality Alloys business segment, the FerroAlloys business segment and unallocated items that consist of Group headquarters and other Group companies, which do not have significant business operations. Discontinued operations include the house building, pallet and sawmill businesses.

### Commenting on the third quarter results, Thomas Hoyer, CEO, said:

"The third quarter was significantly impacted by the downturn in global economic sentiment and the market for chrome products was an early casualty. Charge Chrome products were most affected, with prices falling about 15% compared to the previous quarter, as many buyers did not restock after the seasonal European summer slowdown.

The Group's diversified product range offered some protection against the weakening Charge Chrome prices as the demand for our speciality alloys products remained relatively firm and prices were comparable to the second quarter 2011. Whilst the South African rand softened significantly during the quarter, it was not sufficient to offset the impact of falling chrome prices. At an operational level, TMS, EWW and the Stellite mine delivered a strong production result, in spite of the annual maintenance shutdowns.

Looking ahead, the outlook for the fourth quarter is bleak, overshadowed by the uncertainty in the global financial markets and in the Eurozone, and the possibility of a global recession cannot be discounted. In light of this, the Group has taken the decision to adjust its production levels accordingly and two of the four furnaces in the FerroAlloys business have remained switched off since July's maintenance shutdown.

Our strong cash position enables the Group to weather this current slowdown and even potentially take advantage of the distressed pricing of mining assets in the execution of our growth strategy."

## **2011 OUTLOOK**

The Board has updated the Company's outlook for the full year 2011.

As previously stated and as a result of the Company's decision to focus solely on the mining, smelting and minerals processing business, Ruukki's financial performance is dependent on the general market conditions of this sector, particularly in the chrome industry.

There have been significant price fluctuations in the ferroalloys market during the first three quarters of 2011. Global financial markets have been very volatile, exacerbated by the recent Eurozone crisis and economic conditions for the fourth quarter of 2011 are extremely uncertain. Demand for chrome ore and Charge Chrome is expected to remain weak during the fourth quarter and Ruukki has adjusted its production volumes accordingly. Demand and prices for speciality alloys have been more stable, however uncertainty remains in the fourth quarter too.

Ruukki expects the revenue from continuing operations in 2011 to increase considerably compared with the full year 2010 and whilst the Group's EBITDA from continuing operations is expected to improve compared with 2010, it is expected to be slightly negative for the full year 2011.

Fluctuations of exchange rates between the Euro, the South African Rand, the Turkish Lira and the US Dollar can significantly impact the Company's financial performance.

Previously the Company's outlook, published for the second quarter results on 18 August 2011, stated: "There have been significant price fluctuations in the ferroalloys market during the first half of 2011. Global financial markets remain turbulent, and economic conditions uncertain. Ruukki is no longer expecting higher prices for its products in the second half of 2011, and believes that prices will continue to be under pressure. However, Ruukki does anticipate its production volumes to be higher for 2011 compared to 2010 and this is expected to result in increased revenue and improved financial performance."

## **Investor Conference Call**

Management will host an investor conference call in English on 10 November 2011 at 12.00 Finnish time, 10.00 UK time. Please dial-in at least 10 minutes beforehand, quoting the reference: 906542.

Finnish number +358 (0)9 2313 9201

UK number +44 (0)20 7162 0077

RUUKKI GROUP PLC  
Thomas Hoyer  
CEO

For additional information, please contact:

**Ruukki Group Plc**

Thomas Hoyer, CEO, +358 (0)10 440 7000, [thomas.hoyer@ruukkigroup.com](mailto:thomas.hoyer@ruukkigroup.com)

Kalle Lehtonen, General Manager: Finance, +358 (0)400 539 968, [kalle.lehtonen@ruukkigroup.com](mailto:kalle.lehtonen@ruukkigroup.com)

Markus Kivimäki, General Manager: Corporate Affairs, +358 (0)50 3495 687,

[markus.kivimaki@ruukkigroup.com](mailto:markus.kivimaki@ruukkigroup.com)

**Investec Bank Plc**

Stephen Cooper, +44 (0)20 7597 5104, [stephen.cooper@investec.co.uk](mailto:stephen.cooper@investec.co.uk)

**RBC Capital Markets**

Martin Eales, +44 (0)20 7653 4000, [martin.eales@rbccm.com](mailto:martin.eales@rbccm.com)

Peter Barrett-Lennard, +44 (0)20 7653 4000, [peter.barrett-lennard@rbccm.com](mailto:peter.barrett-lennard@rbccm.com)

Financial reports and other investor information are available on the Company's website.

Ruukki Group is a chrome mining and minerals producer focused on delivering sustainable growth with a speciality alloys business in southern Europe and a ferro alloys business in southern Africa. The Company is listed on NASDAQ OMX Helsinki (RUG1V) and the Main Market of the London Stock Exchange (RKKI).

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

Distribution:

NASDAQ OMX Helsinki

London Stock Exchange

main media

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

## RUUKKI GROUP PLC: Q3 INTERIM REPORT, 1 JULY–30 SEPTEMBER 2011

This Interim Report is prepared in accordance with the IAS 34 standard and is unaudited. All the figures in this Interim Report related to the house building, pallet and sawmill businesses are categorised as discontinued operations. All the corresponding comparable figures of 2010 are presented in brackets, unless otherwise explicitly stated.

### RUUKKI GROUP'S FINANCIAL PERFORMANCE

#### REVENUE AND PROFITABILITY

EUR million	Q3/11	Q3/10	Change	Q1-Q3/11	Q1-Q3/10	Change	FY/10
Revenue	42.4	29.0	46.1%	121.8	98.6	23.5%	123.3
EBITDA	-2.7	-1.6		2.5	-1.5		-8.4
EBITDA margin	-6.3%	-5.4%		2.0%	-1.5%		-6.8%
EBIT	-9.6	-8.7		-18.5	-21.4		-75.6
EBIT margin	-22.5%	-29.9%		-15.2%	-21.7%		-61.3%
Profit for the period, discontinued operations	-0.2	3.8		46.9	7.6	517.1%	14.2
Profit for the period	-6.7	-2.6		33.4	-6.7		-51.1

Discontinued operations include the house building, pallet and sawmill businesses.

Revenue for the third quarter increased by 46.1% to EUR 42.4 (29.0) million. The increase in revenue, compared to the equivalent period in 2010, was mainly attributable to the increased production volumes in both the Speciality Alloys segment and the FerroAlloys segment, following the acquisition of Chromex Mining in December 2010.

EBITDA for the third quarter was EUR -2.7 (-1.6) million and profit for the period was EUR -6.7 (-2.6) million. The decrease in EBITDA was mainly due to the decision not to restart two of the four furnaces in the FerroAlloys segment as a result of the weak chrome prices, after the yearly maintenance shutdown in July.

Earnings per share was EUR -0.03 (-0.02).

#### BALANCE SHEET, CASH FLOW AND FINANCING

The Group's liquidity, as at 30 September 2011, when taking into account cash and cash equivalents as well as short-term deposits, remained strong at EUR 74.2 (21.1) (30 June 2011: 81.8) million. Operating cash flow was EUR -5.4 (-3.4) million. Ruukki's gearing at the end of the third quarter decreased to 6.4% (28.8%) (30 June 2011: 6.2%). Net interest-bearing debt was EUR 15.8 (80.1) (30 June 2011: 15.9) million.

As at 30 September, the Group had an unused credit facility of USD 55 million in place. The facility is available to be drawn down until 31 December 2011.

One of the Group's South African subsidiaries, Mogale Alloys, has drawn a loan from a South African bank with the principle amount of EUR 8 million. The loan agreement includes financial covenants some of which were breached during the review period due to the extraordinarily adverse market conditions. Mogale Alloys has, however, received a temporary waiver in relation to the breach. Based on the discussions carried out with the bank, the Company remains confident that the bank will not request the pay-back of the loan prior to its maturity date in April, 2015.

Total assets on 30 September 2011 stood at EUR 457.9 (543.9) (30 June 2011: 499.0) million. Equity ratio was 54.3% (53.9%) (30 June 2011: 51.1%).

## INVESTMENTS, ACQUISITIONS AND DIVESTMENTS

Capital expenditure in the third quarter totalled EUR 1.2 (4.3) million. The expenditure related primarily to exploration drilling at Ruukki's mines and yearly maintenance of its production plants.

On 5 September 2011 Ruukki transferred a total of 2,976,213 ordinary shares as an earn-out consideration for the speciality alloys business acquired in 2008. The profit share calculation for the earn-out consideration was confirmed for the years 2009 and 2010. Ruukki has now fully paid the 2009 earn-out and 50 per cent of the 2010 earn-out. The subscription price of EUR 3,809,552.64 was accounted for in whole in the Company's paid-up unrestricted equity reserve.

## PERSONNEL

At the end of the third quarter 2011, Ruukki's employees in continuing operations increased to 799 (692). The number of employees increased in both the Speciality Alloys and FerroAlloys businesses. The average number of employees during the third quarter of 2011 was 785 (694).

Number of employees by segment:

	<b>30.9.2011</b>	<b>30.9.2010</b>	<b>Change</b>	<b>31.12.2010</b>
Speciality Alloys	436	404	7.9%	396
FerroAlloys	353	273	29.3%	316
Other operations	10	15	-33.3%	10
<b>Continuing operations total</b>	<b>799</b>	<b>692</b>	<b>15.5%</b>	<b>722</b>

## SAFETY, HEALTH AND SUSTAINABLE DEVELOPMENT

Work continued during the quarter to introduce standardised health, safety and environment policies and procedures across the Group's operations, overseen by the Group's Chief Operating Officer and is on track for completion by the end of the first quarter 2012. This includes a baseline risk assessment at Mogale and Stellite, which should be completed by year end. Alongside this, an initial programme has also begun on focusing on pro-active safety and environment measurements as part of the Group's aim to achieve "Zero Harm" to its employees, contractors, neighbouring communities and the environment. This will be rolled out across all the operations during the next couple of quarters.

On sustainability, Mogale Alloys is seeking ISO 9001 certification / accreditation in 2012 and the first phase of the ISO 9001 audit was successfully completed. If successful, this ISO accreditation will complement EWW, which has already received ISO 9001 and underlines the quality of the Group's chrome products.

Ruukki aims to conduct its business in a sustainable way and to preserve the environment by minimising the environmental impact of its operations. Ruukki has a number of programmes in place to monitor and address its impact on the environment. The environmental studies being conducted at its South African processing facilities continue and are expected to be completed by the end of 2011.

## SEGMENT PERFORMANCE

### SPECIALITY ALLOYS BUSINESS

The Speciality Alloys business consists of TMS, the mining and beneficiation operation in Turkey, and EWW, the chromite concentrate processing plant in Germany. TMS supplies EWW with high quality chromite concentrate which produces speciality products including Specialised Low Carbon and Ultralow Carbon Ferrochrome. Excess chrome ore is exported from TMS mainly to China. As at 30 September 2011, the business had 436 (404) employees.

Production:

Tonnes	Q3/11	Q3/10	Change	Q1-Q3/11	Q1-Q3/10	Change	FY/10
Mining*	21,958	17,764	23.6%	62,588	38,069	64.4%	54,917
Processing	5,247	4,302	22.0%	19,337	13,047	48.2%	17,994

\* Including both chromite concentrate and lumpy ore production

Production increased 23.3% to 27,205 (22,066) tonnes for the quarter, compared to the third quarter 2010. In spite of the annual maintenance shutdowns, both the Turkish and EWW operations ran at full capacity during the quarter.

EUR million	Q3/11	Q3/10	Change	Q1-Q3/11	Q1-Q3/10	Change	FY/10
Revenue	21.9	18.2	20.2%	63.2	52.3	20.8%	69.0
EBITDA	2.0	2.8	-28.8%	10.5	6.4	63.6%	7.8
EBITDA margin	9.0%	15.1%		16.7%	12.3%		11.3%
EBIT	-2.4	-2.0		-2.8	-6.8		-10.0
EBIT margin	-11.2%	-11.1%		-4.4%	-13.0%		-14.5%

Revenue for the third quarter was EUR 21.9 (18.2) million, representing an increase of 20.2%. EBITDA for the third quarter was EUR 2.0 (2.8) million. The decrease in EBITDA, compared to the equivalent period in 2010, was due to weaker chrome prices and the increase in sales volumes was not enough to compensate for this. Compared to second quarter in 2011, chrome prices were relatively comparable.

## FERROALLOYS BUSINESS

The FerroAlloys business consists of the Stellite mine, the alloy processing plant Mogale and the Mecklenburg mine development project in South Africa, as well as the Zimbabwean mine development project Waylox. The business produces chrome ore, Charge Chrome, Silico Manganese and Stainless Steel Alloy (chromium-iron-nickel alloy) and exports chrome ore directly to global markets, particularly to China. As at 30 September 2011, the business had 353 (273) employees.

Production:

Tonnes	Q3/11	Q3/10	Change	Q1-Q3/11	Q1-Q3/10	Change	FY/10
Mining*	46,006	N/A		113,663	N/A		N/A
Processing	13,189	9,191	43.5%	71,471	52,952	35.0%	65,040

\* Including both chromite concentrate and lumpy ore production

Production increased considerably to 59,195 (9,191) tonnes, mainly due to the acquisition of the Stellite mine in December 2010. Stellite's performance also improved significantly quarter on quarter, posting a 29.0% increase over the second quarter.

EUR million	Q3/11	Q3/10	Change	Q1-Q3/11	Q1-Q3/10	Change	FY/10
Revenue	20.5	10.8	90.0%	58.6	46.0	27.5%	54.0
EBITDA	-2.1	-1.4		-2.0	4.7		-1.0
EBITDA margin	-10.3%	-12.8%		-3.4%	10.3%		-1.8%
EBIT	-4.6	-3.7		-9.6	-1.9		-50.2
EBIT margin	-22.3%	-34.3%		-16.4%	-4.1%		-93.0%

Revenue for the third quarter improved considerably to EUR 20.5 (10.8) million, representing an increase of 90.0% driven by increase in sales volumes. The increase in revenue was predominantly due to a rise in chrome ore sales from the Stellite mine, which was acquired in December 2010.

EBITDA for the third quarter was EUR -2.1 (-1.4) million and includes EUR 0.7 (0.9) million of costs related to the feasibility studies for the two new DC furnaces and a power plant. Despite the increase in chrome ore sales, it was not sufficient to compensate for the seasonal increase in electricity prices or the impact of the two furnace shutdowns at Mogale, which were not restarted after the yearly maintenance in

July due to the weak Charge Chrome prices. This impacted negatively the segment's EBITDA. Charge Chrome prices have decreased by approximately 15% compared to the previous quarter in 2011.

## **DISCONTINUED OPERATIONS**

Ruukki completed the divestments of its wood processing businesses during the first and second quarter of 2011. On the Group's income statement these businesses have been presented as discontinued operations. Profit for the period from discontinued operations was EUR -0.2 (3.8) million.

## **UNALLOCATED ITEMS**

For the third quarter of 2011, the EBITDA from unallocated items was EUR -2.3 (-3.0) million including a EUR 0.2 (0.8) million non-cash expense for the share-based payments.

## **PLEDGES AND CONTINGENT LIABILITIES, CHANGES DURING THE REVIEW PERIOD**

On 30 September 2011, the Group's subsidiaries had given business mortgages as collateral for loans and other liabilities totalling EUR 0.0 (31 December 2010: 14.0) million. Of the parent company's EUR 4.2 million business mortgages, EUR 0.0 (1.7) million had been pledged as security with external financial institutions. Equipment and real estate mortgages amounted to EUR 20.2 (21.5) million and book value of other pledges EUR 11.6 (11.1) million. Ruukki Group Plc has given guarantees in connection with certain borrowings of Junnikkala Oy, the Group's former subsidiary which has been disposed in June 2011. These guarantees will continue to be in force until 30 June 2018. As part of the terms of the disposal it has been agreed that Junnikkala will pay a fee of two per cent per annum to Ruukki Group Plc in consideration for the continuation of these guarantees. At 30 September 2011 the indebtedness subject to these guarantees was EUR 1.6 million in aggregate.

## **SHARE CAPITAL**

Ruukki Group Plc's shares are listed on NASDAQ OMX Helsinki (RUG1V) and on the Main Market of the London Stock Exchange (RKKI).

On 30 September 2011, the registered number of Ruukki Group Plc shares was 248,432,000 (248,207,000) and share capital was EUR 23,642,049.60 (23,642,049.60).

On 30 September 2011, the Company held 4,814,682 (8,740,895) of its own shares in treasury, which was equivalent to approximately 1.94% (3.52%) of the issued share capital. The total amount of shares outstanding, excluding the treasury shares held by the Company on 30 September 2011 was 243,617,318 (239,466,105).

Based on the resolution at the AGM on 11 May 2011, the Board is authorised to buy back up to a maximum of 15,000,000 of its own shares. This authorisation is valid until 11 November 2012.

## **NOTIFICATION OF TRANSACTIONS OF DIRECTORS, PERSONS DISCHARGING MANAGERIAL RESPONSIBILITY OR CONNECTED PERSONS**

Ruukki received on 22 September 2011 a notification that Markku Kankaala, Non-executive Director, has bought 1,000 ordinary shares in the Company at an average price of EUR 0.86 per share on 22 September 2011. The trade was made on the NASDAQ OMX Helsinki Exchange.

Ruukki received on 23 September 2011 a notification that Markku Kankaala, Non-executive Director, has bought 1,000 ordinary shares in the Company at an average price of EUR 0.86 per share on 23 September 2011. The trade was made on the NASDAQ OMX Helsinki Exchange.

Ruukki received on 28 September 2011 a notification that Markku Kankaala, Non-executive Director, has bought 1,067 ordinary shares in the Company at an average price of EUR 0.91 per share on 26 September 2011. The trade was made on the NASDAQ OMX Helsinki Exchange.

Accordingly Markku Kankaala now holds voting rights attached to 7,480,600 shares, representing 3.07% of the issued share capital of the Company excluding treasury shares.

## **MOST SIGNIFICANT RISKS AND UNCERTAINTIES, CHANGES DURING AND AFTER THE PERIOD UNDER REVIEW**

The changes in the key risks and uncertainties are set out below. Further details of the risks and uncertainties have been published in the Group's 2010 Annual Report.

Following the Company's transformation into a focused mining and minerals processing company, the Group has become more exposed to foreign exchange rate risks, commodity price risks and the risks of fluctuating demand in the mining and minerals sector.

Changes in foreign exchange rates, if adverse, could have a substantial negative impact on the Group's profitability, in particular changes in US Dollar/South African Rand. Changes in the South African Rand exchange rate could also have an effect on the Euro value of the deferred purchase consideration of Mogale Alloys. In order to better manage its foreign exchange US Dollar/South African Rand exposure, the Group has entered into a limited forward contract arrangement for the next twelve months.

Global financial markets have been very volatile, exacerbated by the recent Eurozone crisis and there is uncertainty as to how commodity prices will respond during the last quarter of 2011 and this could impact the Company's revenue and financial performance.

The Group is considering a number of options to grow the Company's resources, mining and processing operations, including organic growth as well as mergers and acquisitions. These growth options could expose the Group to funding, implementation and integration related risks.

### **2011 OUTLOOK**

The Board has updated the Company's outlook for the full year 2011.

As previously stated and as a result of the Company's decision to focus solely on the mining, smelting and minerals processing business, Ruukki's financial performance is dependent on the general market conditions of this sector, particularly in the chrome industry.

There have been significant price fluctuations in the ferroalloys market during the first three quarters of 2011. Global financial markets have been very volatile, exacerbated by the recent Eurozone crisis and economic conditions for the fourth quarter 2011 are extremely uncertain. Demand for chrome ore and Charge Chrome is expected to remain weak during the fourth quarter and Ruukki has adjusted its production volumes accordingly. Demand and prices for speciality alloys have been more stable, however uncertainty remains in the fourth quarter too.

Ruukki expects the revenue from continuing operations in 2011 to increase considerably compared with the full year 2010 and whilst the Group's EBITDA from continuing operations is expected to improve compared with 2010, it is expected to be slightly negative for the full year 2011.

Fluctuations of exchange rates between the Euro, the South African Rand, the Turkish Lira and the US Dollar can significantly impact the Company's financial performance.

Previously the Company's outlook, published for the second quarter results on 18 August 2011, stated: "There have been significant price fluctuations in the ferroalloys market during the first half of 2011. Global financial markets remain turbulent, and economic conditions uncertain. Ruukki is no longer expecting higher prices for its products in the second half of 2011, and believes that prices will continue to be under pressure. However, Ruukki does anticipate its production volumes to be higher for 2011 compared to 2010 and this is expected to result in increased revenue and improved financial performance."

**Helsinki, 9 November 2011**

**RUUKKI GROUP PLC**

**BOARD OF DIRECTORS**

## FINANCIAL REPORTING IN 2012

	Closed period	Reporting date
Full Year Results 2011	1.1.-24.2.2012	24 February 2012
Q1 Interim Report 2012	10.4.-10.5.2012	10 May 2012
Q2 Interim Report 2012	17.7.-16.8.2012	16 August 2012
Q3 Interim Report 2012	8.10.-7.11.2012	7 November 2012

---

## FINANCIAL TABLES

### FINANCIAL DEVELOPMENT AND ASSETS AND LIABILITIES BY SEGMENT

1.1.–30.9.2011 9 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	Eliminations	Continuing operations total
Revenue	63,160	58,608	522	-522	121,768
EBITDA	10,549	-2,003	-6,070	1	2,476
EBIT	-2,775	-9,621	-6,111	1	-18,507
Segment's assets	188,393	206,232	71,795	-15,755	450,665
Segment's liabilities	61,069	114,036	47,719	-13,439	209,385

1.1.–30.9.2010 9 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	Eliminations	Continuing operations total
Revenue	52,289	45,954	455	-130	98,568
EBITDA	6,446	4,720	-12,861	221	-1,474
EBIT	-6,804	-1,882	-12,910	221	-21,376
Segment's assets	179,175	237,165	12,050	-9,848	418,542
Segment's liabilities	73,849	96,269	51,152	-18,533	202,737

1.1.–31.12.2010 12 months EUR '000	Speciality Alloys	Ferro Alloys	Unallocated items	Eliminations	Continuing operations total
Revenue	69,017	54,006	967	-643	123,347
EBITDA	7,803	-972	-15,369	99	-8,439
EBIT	-10,009	-50,216	-15,433	99	-75,559
Segment's assets	182,347	248,011	15,919	-10,616	435,661
Segment's liabilities	77,265	136,702	51,918	-6,840	259,045

### CONSOLIDATED INCOME STATEMENT, SUMMARY

EUR '000	Q1-Q3/11	Q1-Q3/10	Q3/11	Q3/10	FY/10
<b>Continuing operations</b>					
<b>Revenue</b>	<b>121,768</b>	<b>98,568</b>	<b>42,432</b>	<b>29,047</b>	<b>123,347</b>
Other operating income	902	716	267	535	1,248
Operating expenses	-120,461	-100,974	-45,419	-31,327	-133,424
Depreciation and amortisation	-20,982	-19,902	-6,891	-7,116	-27,023
Impairment	0	0	0	0	-40,097
Items related to associates (core)	267	216	61	189	390
<b>Operating profit</b>	<b>-18,507</b>	<b>-21,376</b>	<b>-9,550</b>	<b>-8,673</b>	<b>-75,559</b>
Financial income and expense	106	-467	1,120	-266	-595
Items related to associates (non-core)	196	-103	0	-134	-99

<b>Profit before tax</b>	<b>-18,205</b>	<b>-21,946</b>	<b>-8,430</b>	<b>-9,073</b>	<b>-76,253</b>
Income tax	<u>4,725</u>	<u>7,674</u>	<u>1,930</u>	<u>2,635</u>	<u>10,942</u>
<b>Profit for the period from continuing operations</b>	<b>-13,480</b>	<b>-14,272</b>	<b>-6,499</b>	<b>-6,438</b>	<b>-65,311</b>
<b>Discontinued operations</b>					
Profit for the period from discontinued operations	<u>46,917</u>	<u>7,603</u>	<u>-207</u>	<u>3,831</u>	<u>14,186</u>
<b>Profit for the period</b>	<b>33,437</b>	<b>-6,669</b>	<b>-6,707</b>	<b>-2,607</b>	<b>-51,125</b>
Profit attributable to:					
Owners of the parent	33,741	-8,125	-6,162	-3,972	-52,611
Non-controlling interests	<u>-304</u>	<u>1,456</u>	<u>-545</u>	<u>1,365</u>	<u>1,486</u>
Total	33,437	-6,669	-6,707	-2,607	-51,125
Earnings per share (counted from profit attributable to owners of the parent):					
basic (EUR), Group total	0.14	-0.03	-0.03	-0.02	-0.22
diluted (EUR), Group total	0.12	-0.03	-0.03	-0.02	-0.22
basic (EUR), continuing operations	-0.05	-0.06	-0.02	-0.03	-0.27
diluted (EUR), continuing operations	-0.05	-0.06	-0.02	-0.03	-0.27

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR '000	Q1-Q3/11	Q1-Q3/10	Q3/11	Q3/10	FY/10
<b>Profit for the period</b>	<b>33,437</b>	<b>-6,669</b>	<b>-6,707</b>	<b>-2,607</b>	<b>-51,125</b>
<b>Other comprehensive income</b>					
Exchange differences on translating foreign operations	-15,495	12,826	-4,976	-2,350	19,412
Income tax relating to other comprehensive income	6,553	-5,451	1,117	1,048	-9,815
<b>Other comprehensive income, net of tax</b>	<b>-8,941</b>	<b>7,375</b>	<b>-3,859</b>	<b>-1,302</b>	<b>9,597</b>
<b>Total comprehensive income for the period</b>	<b>24,496</b>	<b>706</b>	<b>-10,566</b>	<b>-3,909</b>	<b>-41,528</b>
Total comprehensive income attributable to:					
Owners of the parent	27,487	-1,846	-8,796	-5,091	-44,854
Non-controlling interests	-2,991	2,552	-1,770	1,181	3,327

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY

EUR '000	30.9.2011	30.9.2010	31.12.2010
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments and intangible assets			
Goodwill	113,829	183,009	129,120
Investments in associates	63	267	284

Other intangible assets	68,731	95,739	94,154
Investments and intangible assets total	182,623	279,015	223,559
Property, plant and equipment	70,318	79,247	87,468
Other non-current assets	44,202	27,668	44,022
<b>Non-current assets total</b>	<b>297,142</b>	<b>385,930</b>	<b>355,050</b>
<b>Current assets</b>			
Inventories	44,605	73,115	45,160
Receivables	34,713	56,265	26,853
Other investments	0	256	0
Cash and cash equivalents	34,205	21,079	8,598
Bank deposits	40,000	0	0
Liquid funds total	74,205	21,079	8,598
<b>Current assets total</b>	<b>153,522</b>	<b>150,715</b>	<b>80,611</b>
Assets held for sale	7,239	7,239	110,809
Cash and cash equivalents held for sale	0	0	10,561
<b>Assets held for sale total</b>	<b>7,239</b>	<b>7,239</b>	<b>121,369</b>
<b>Total assets</b>	<b>457,904</b>	<b>543,884</b>	<b>557,030</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	23,642	23,642	23,642
Share premium reserve	25,740	25,740	25,740
Revaluation reserve	0	2,193	2,193
Paid-up unrestricted equity reserve	245,128	250,849	250,849
Translation reserves	7,668	12,444	13,921
Retained earnings	-68,173	-56,646	-104,772
<b>Equity attributable to owners of the parent</b>	<b>234,005</b>	<b>258,222</b>	<b>211,574</b>
<b>Non-controlling interests</b>	<b>14,514</b>	<b>20,138</b>	<b>24,781</b>
<b>Total equity</b>	<b>248,519</b>	<b>278,361</b>	<b>236,355</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>	171,931	185,167	216,556
Current liabilities			
Advances received	350	27,449	0
Other current liabilities	37,104	52,907	42,489
<b>Current liabilities total</b>	<b>37,454</b>	<b>80,356</b>	<b>42,489</b>
<b>Liabilities classified as held for sale</b>	<b>0</b>	<b>0</b>	<b>61,630</b>
<b>Total liabilities</b>	<b>209,385</b>	<b>265,523</b>	<b>320,675</b>
<b>Total equity and liabilities</b>	<b>457,904</b>	<b>543,884</b>	<b>557,030</b>

## SUMMARY OF CASH, INTEREST-BEARING RECEIVABLES AND INTEREST-BEARING LIABILITIES

EUR '000	30.9.2011	30.9.2010	31.12.2010
<b>Liquid funds</b>	<b>74,205</b>	<b>21,079</b>	<b>8,598</b>
Interest-bearing receivables			
Current	420	13,017	2,200
Non-current	<u>31,778</u>	<u>12,945</u>	<u>28,865</u>
<b>Interest-bearing receivables</b>	<b>32,198</b>	<b>25,962</b>	<b>31,065</b>
Interest-bearing liabilities			
Current	7,628	12,376	4,577
Non-current	<u>82,368</u>	<u>88,842</u>	<u>102,244</u>
<b>Interest-bearing liabilities</b>	<b>89,996</b>	<b>101,218</b>	<b>106,821</b>
<b>NET TOTAL</b>	<b>16,407</b>	<b>-54,177</b>	<b>-67,157</b>

Excluding interest-bearing assets and liabilities classified as held for sale

## SUMMARY OF GROUP'S PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

EUR '000	Property, plant and equipment	Intangible assets
Acquisition cost 1.1.2011	132,715	354,221
Additions	3,015	379
Disposals	-367	-1,424*
Transfer to assets held for sale	-353	1
Reclass between items	5,690	-1,050
Effect of movements in exchange rates	-18,188	-38,324
Acquisition cost 30.9.2011	122,512	313,803
Acquisition cost 1.1.2010	127,541	337,547
Additions	51,968	8,231*
Disposals	-4,044	0
Transfer to assets held for sale	-49,614	-26,519
Reclass between items	298	-240
Effect of movements in exchange rates	6,566	35,201
Acquisition cost 31.12.2010	132,715	354,221

\* Including changes in earn-out liabilities

## CONSOLIDATED STATEMENT OF CASH FLOWS, SUMMARY

EUR '000	Q1-Q3/11	Q1-Q3/10	FY/10
Profit for the period	33,437	-6,669	-51,125
Adjustments to profit for the period	-25,231	12,265	57,700
Changes in working capital	-17,998	3,118	4,604
Discontinued operations	2,340	240	-616
<b>Net cash from operating activities</b>	<b>-7,452</b>	<b>8,954</b>	<b>10,563</b>

Acquisition of subsidiaries and associates, net of cash acquired	-500	-1,232	-21,855
Acquisition of joint ventures, net of cash acquired	-1,592	-9,000	-20,372
Payments of earn-out liabilities	0	-65	-65
Disposal of subsidiaries and associates, net of cash sold	83,276	1,636	1,640
Capital expenditure and other investing activities	-3,134	-9,200	-14,229
Proceeds from repayments of loans and loans given	-2,889	534	-11,222
Discontinued operations	-77	9,200	10,885
<b>Net cash used in investing activities</b>	<b>75,085</b>	<b>-8,127</b>	<b>-55,218</b>
Acquisition of own shares	0	-10	-10
Capital redemption	-9,617	-9,570	-9,570
Dividends paid to non-controlling interests	-86	-75	-129
Deposits and interest received on investments	0	2,503	2,509
Proceeds from borrowings	11,139	2,989	23,312
Repayment of borrowings, and other financing activities	-13,215	-21,941	-2,037
Discontinued operations	-339	-9,894	-6,585
<b>Net cash used in financing activities</b>	<b>-12,118</b>	<b>-35,998</b>	<b>7,491</b>
<b>Net increase in cash and cash equivalents</b>	<b>55,515</b>	<b>-35,170</b>	<b>-37,165</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A = Share capital

B = Share premium reserve

C = Fair value and revaluation reserves

D = Paid-up unrestricted equity reserve

E = Translation reserve

F = Retained earnings

G = Equity attributable to owners of the parent, total

H = Non-controlling interests

I = Total equity

EUR '000	A	B	C	D	E	F	G	H	I
<b>Equity at 31.12.2009</b>	<b>23,642</b>	<b>25,740</b>	<b>2,193</b>	<b>260,357</b>	<b>6,165</b>	<b>-49,953</b>	<b>268,144</b>	<b>17,878</b>	<b>286,022</b>
Dividend distribution							0	-293	-293
Total comprehensive income 1-9/2010					6,279	-8,125	-1,846	2,552	706
Share-based payments						1,395	1,395		1,395
Share subscriptions based on option rights				72			72		72
Acquisition of own shares				-10			-10		-10
Capital redemption				-9,570			-9,570		-9,570
Acquisitions and disposals of subsidiaries						17	17	1	18
Other changes						20	20		20
<b>Equity at 30.9.2010</b>	<b>23,642</b>	<b>25,740</b>	<b>2,193</b>	<b>250,849</b>	<b>12,444</b>	<b>-56,646</b>	<b>258,222</b>	<b>20,138</b>	<b>278,361</b>
Dividend distribution							0	-64	-64
Total comprehensive					1,477	-44,486	-43,009	775	-42,234

income 10-12/2010									
Share-based payments						293	293		293
Acquisitions and disposals of subsidiaries						-3,932	-3,932	3,932	-1
<b>Equity at 31.12.2010</b>	<b>23,642</b>	<b>25,740</b>	<b>2,193</b>	<b>250,849</b>	<b>13,921</b>	<b>-104,772</b>	<b>211,574</b>	<b>24,781</b>	<b>236,355</b>
Dividend distribution							0	-627	-627
Total comprehensive income 1-9/2011					-6,254	33,741	27,487	-2,991	24,496
Share-based payments						666	666		666
Share subscriptions based on option rights				3,895			3,895		3,895
Capital redemption				-9,617			-9,617		-9,617
Acquisitions and disposals of subsidiaries			-2,193			2,193	0	-6,649	-6,649
<b>Equity at 30.9.2011</b>	<b>23,642</b>	<b>25,740</b>	<b>0</b>	<b>245,128</b>	<b>7,668</b>	<b>-68,173</b>	<b>234,005</b>	<b>14,514</b>	<b>248,519</b>

## RELATED PARTY TRANSACTIONS DURING THE REVIEW PERIOD

During the nine month period ended on 30 September 2011 the Group had sold goods and rendered services to related parties and joint ventures worth EUR 4.2 (4.9) million. The Group had also made raw material purchases from a joint venture amounting to EUR 0.7 (0.0) million and accrued interest on loans from a related party amounting to EUR 0.4 (0.0) million. Interest income from a joint venture company totalled EUR 0.4 (0.0) million during the first three quarters of 2011.

On 30 September the Group had loan and other receivables from joint venture companies totalling EUR 16.6 (0.0) million and loan and interest receivables from a related party amounting to EUR 10.1 (10.1) million. The Group's loans from a related party amounted to EUR 6.4 (0.0) million and the Group's joint venture's loans from a related party to EUR 11.0 (0.0) million. The Group also had an acquisition related earn-out liability to a related party amounting to EUR 29.8 (29.2) million.

The Group has an unused credit facility from its major shareholder Kermas Ltd amounting to USD 55 million. The facility is available to be drawn down until 31 December 2011.

## EXCHANGE RATES

The balance sheet date rate is based on exchange rate published by the European Central Bank for the closing date. The average exchange rate is calculated as an average of daily rates from the European Central Bank during the year.

The key exchange rates applied in the accounts:

Average rates

	Q1-Q3/11	Q1-Q3/10	FY/10
TRY	2.2920	1.9989	1.9965
USD	1.4065	1.3145	1.3257
ZAR	9.8238	9.8084	9.6984

Balance sheet rates

	30.9.2011	30.9.2010	31.12.2010
TRY	2.5100	1.9806	2.0694
USD	1.3503	1.3648	1.3362
ZAR	10.9085	9.5438	8.8625

## FORMULAS FOR FINANCIAL INDICATORS

Financial ratios and indicators have been calculated with the same principles as applied in the 2010 financial statements. These principles are presented below.

Return on equity, % = Profit for the period / Total equity (average for the period) \* 100

Return on capital employed, % = (Profit before taxes + financing expenses) / (Total assets - interest-free liabilities) average \* 100

Equity ratio, % = Total equity / (Total assets - prepayments received) \* 100

Gearing, % = (Interest-bearing debt - liquid funds) / Total equity \* 100

Net interest-bearing debt = Interest-bearing debt - liquid funds

Earnings per share, basic, EUR = Profit attributable to owners of the parent company / Average number of shares during the period

Earnings per share, diluted, EUR = Profit attributable to owners of the parent company / Average number of shares during the period, diluted

Operating profit (EBIT) = Operating profit is the net of revenue plus other operating income, plus gain/loss on finished goods inventory change, minus employee benefits expense, minus depreciation, amortisation and impairment and minus other operating expense. Foreign exchange gains or losses are included in operating profit when generated from ordinary activities. Exchange gains or losses related to financing activities are recognised as financial income or expense.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) = Operating profit + depreciation + amortisation + impairment losses

## ACCOUNTING POLICIES

This Interim Report is prepared in accordance with the IAS 34 standard. Ruukki Group Plc applies the same accounting and IFRS principles as in the 2010 financial statements with the exception that from the beginning of 2011 the Company has applied a new reporting business segment structure. The new reporting business segments are the FerroAlloys and the Speciality Alloys segments. In 2010 the Company had two reporting segments: Wood Processing Business and Minerals Business. The Company has published the comparative financial information for the new segments on 28 April 2011.

The preparation of the Interim Report in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and other information, such as contingent liabilities and the recognition of income and expenses in the income statement. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the estimates.

The figures in the tables have been rounded off, which must be considered when calculating totals. Average exchange rates for the period have been used for income statement conversions, and period-end exchange rates for balance sheet.

The Interim Report data are unaudited.

### Share-related key figures

		Q3/11	Q3/10	Q1-Q3/11	Q1-Q3/10	FY/10
<b>Share price development in London Stock Exchange*</b>						
Average share price**	EUR	1.24	1.85	1.65	N/A	1.64
	GBP	1.09	1.54	1.44	N/A	1.39
Lowest share price**	EUR	0.96	1.76	0.96	N/A	1.60
	GBP	0.84	1.47	0.84	N/A	1.36
Highest share price**	EUR	1.52	2.14	1.84	N/A	2.10
	GBP	1.33	1.78	1.60	N/A	1.78

Share price at the end of the period***	EUR	0.98	1.89	0.98	N/A	1.68
	GBP	0.85	1.63	0.85	N/A	1.45
Market capitalisation at the end of the period***	EUR million	243.7	469.0	243.7	N/A	416.7
	GBP million	211.2	403.3	211.2	N/A	358.7
<b>Share trading development</b>						
Share turnover	thousand shares	24	73	117	N/A	712
Share turnover	EUR thousand	30	135	193	N/A	1,168
Share turnover	GBP thousand	26	112	168	N/A	990
Share turnover	%	0.0%	0.0%	0.0%	N/A	0.3%
<b>Share price development in NASDAQ OMX Helsinki</b>						
Average share price	EUR	1.04	1.77	1.45	1.57	1.59
Lowest share price	EUR	0.81	1.45	0.81	1.00	1.00
Highest share price	EUR	1.61	1.96	2.03	2.30	2.30
Share price at the end of the period	EUR	0.98	1.89	0.98	1.89	1.70
Market capitalisation at the end of the period	EUR million	243.5	469.1	243.5	469.1	422.0
<b>Share trading development</b>						
Share turnover	thousand shares	3,039	2,477	8,746	18,907	21,042
Share turnover	EUR thousand	3,150	4,373	12,684	29,732	33,414
Share turnover	%	1.2%	1.0%	3.5%	7.6%	8.5%

\* Ruukki's shares have been listed on the London Stock Exchange as of 26 July 2010, therefore share information on the LSE is available only from that day onwards.

\*\* Share prices have been calculated on the average EUR/GBP exchange rate published by Bank of Finland.

\*\*\* Share price and market capitalisation at the end of the period have been calculated on the EUR/GBP exchange rate published by Bank of Finland at the end of the period.

Formulas for share-related key indicators

Average share price = Total value of shares traded in currency / Number of shares traded during the period

Market capitalisation, million = Number of shares \* Share price at the end of the period

## FORWARD LOOKING STATEMENTS

This report contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. By their nature, forward-looking statements involve uncertainty because they depend on future circumstances, and relate to events, not all of which are within the Company's control or can be predicted by the Company.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Actual results could differ materially from those set out in the forward-looking statements. Save as required by law (including the Finnish Securities Markets Acts (495/1989), as amended, or by the Listing Rules or the Disclosure and Transparency Rules of the UK Financial Services Authority), the Company undertakes no obligation to update any forward-looking statements in this report that may occur due to any changes in the Directors' expectations or to reflect events or circumstances after the date of this report.