# 2011 Q1 Interim results

**Thomas Hoyer**
**CEO**

RUUKKI GROUP

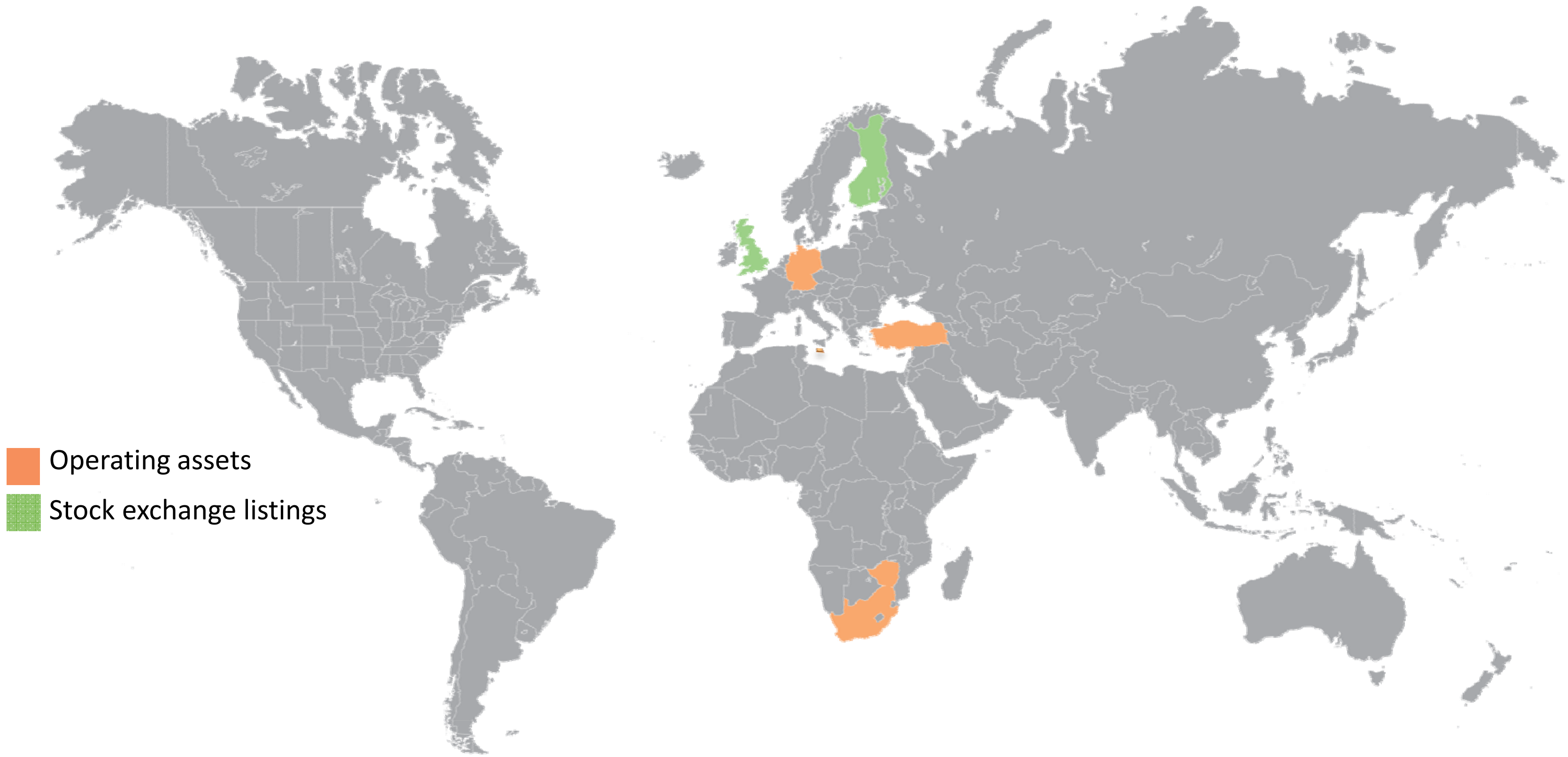
**An integrated mining and minerals producer leveraging off its technological advantages, to fuel sustainable growth**

# Table of contents

# Ruukki Group

# Renewal Ruukki Group

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



# Transition into a focused mining company

| 2008 | 2009 | 2010 | 2011 |
| --- | --- | --- | --- |
| • Entering mining and metals sector through the acquisition of Speciality Alloys business in Europe | • Acquisition of FerroAlloys processing business in South Africa<br>• Turnaround of wood processing business started | • Acquisition of Chromex Mining<br>• Wood processing business turnaround successfully completed | • Wood assets disposal<br>• Transformation into a pure mining and minerals processing business<br>• Feasibility studies on two new DC furnaces and power plant |

# Ruukki Group's assets and growth initiatives

**Mining**

**Processing**

**Sales**

## FerroAlloys

Stellite Mine
300,000tpa*

180,000tpa

Mecklenburg, Waylox

300,000tpa

Mogale
110,000tpa*

2 DC Furnaces
280,000tpa

Chrome Ore
Plasma Charge Ferrochrome
Silico Manganese
Stainless Steel Alloy
Chromite Concentrates

RCS

## Speciality Alloys

TMS
120,000 tpa*

EWW
30,000 tpa*

Chrome Ore
Low and Ultralow Carbon
Speciality Low Carbon

*Installed capacity

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# Strategic and financial review

# New strategy and implementation in 2010

- Decision to focus on mining and minerals processing business
- Decision to divest wood assets
- Acquisition of Chromex mining assets
- Significant expansion of processing capacity in Turkey
- Board of Directors with mining and minerals expertise
- New management team

# Strategy implementation continued in 2011

- Wood assets disposal
- Chromex mining assets integrated into FerroAlloys business
- New segment reporting in place
  - FerroAlloys
  - Speciality Alloys
- Group strengthened, new CEO and COO appointments

# The leadership teams

## The Board

Dr Jelena Manojlovic – Chairman

Dr Chris Pointon – Deputy Chairman & NED

Barry Rourke – Senior NED

Philip Baum – NED

Paul Everard – NED

Markku Kankaala – NED

Thomas Hoyer – CEO

Dr Danko Koncar – Enterprise Director

## The Executive Management Team

Thomas Hoyer, CEO

Dr Danko Koncar, Enterprise Director

Theuns de Bruyn, Chief Operating Officer

Stefano Bonati, Chief Commercial Officer

Markus Kivimäki, General Manager: Corporate Affairs and Company Secretary

Kalle Lehtonen, General Manager: Finance

Dr Alistair Ruiters, Executive Chairman, Ruukki South Africa

# Group key figures Q1/2011

## Revenue and EBITDA increased

| EUR million | **1–3/2011** | 1–3/2010 | 1–12/2010 |
|---|---|---|---|
| Revenue | **34.8** | 30.1 | 123.3 |
| EBITDA | **3.5** | -0.5 | -8.4 |
| EBITDA margin | **9.9%** | -1.8% | -6.8% |
| EBIT | **-3.6** | -6.9 | -75.6 |
| EBIT margin | **-10.2%** | -22.8% | -61.3% |
| Profit for the period, continuing operations | **-3.1** | -5.3 | -65.3 |
| Profit for the period, discontinued operations | **43.0** | 0.8 | 14.2 |
| Profit for the period | **39.9** | -4.4 | -51.1 |

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

# Segment performance Q1/2011– Speciality Alloys

## Production increased by new concentration plant in Turkey

| EUR million | 1-3/2011 | 1-3/2010 | 1–12/2010 |
|---|---|---|---|
| Revenue | **20.2** | 12.1 | 69.0 |
| EBITDA | **5.0** | -0.2 | 7.8 |
| EBITDA margin | **25.0%** | -1.9% | 11.3% |
| EBIT | **0.7** | -4.4 | -10.0 |
| EBIT margin | **3.2%** | -36.4% | -14.5% |
| **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 higher prices & increased production

# Segment performance Q1/2011 – FerroAlloys

## Production increased due to acquired Stellite mining asset

| EUR million | **1–3/2011** | 1–3/2010 | 1–12/2010 |
|---|---|---|---|
| Revenue | **14.6** | 17.8 | 54.0 |
| EBITDA | **0.0** | 2.7 | -1.0 |
| EBITDA margin | **0.3%** | 15.3% | -1.8% |
| EBIT | **-2.6** | 0.6 | -50.2 |
| EBIT margin | **-17.5%** | 3.3% | -93.0% |
| **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

# Outlook for 2011

# Outlook for 2011

There is general uncertainty as to how demand during 2011 will develop. However, Ruukki expects global demand for the Company's ferroalloys products to be higher in 2011 compared to that of 2010, which is expected to result in higher prices and improved financial performance.

Fluctuations of exchange rates between Euro, South-African rand, Turkish lira and US dollar can significantly impact the Company's financial performance.

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www.ruukkigroup.fi

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