

Q2 & 1H 2011 Interim Results

RUUKKI | GROUP

Thomas Hoyer, CEO



**An integrated chrome
producer
focused
on sustainable growth**

Overview

- Despite good 1H safety performance, 2H 2011 marred by contractor fatality at Stellite Mine
 - Ruukki is reviewing all of its safety practices across the Group to prevent re-occurrence of a similar accident
- Q2 2011: improvements across key performance indicators
 - ✓ Production
 - ✓ Revenue
 - ✓ EBITDA
- Market demand and commodity prices continued to be weak during the quarter
- Sale of sawmills & pallet business completed Ruukki's transformation into a pure mining & minerals processing business

Group Financial Performance

- Second consecutive quarter of revenue and EBITDA growth
- Revenue rose by 13% due to increased production volumes
- Strong ZAR & TRY negatively impacted performance
- Inventories remained high
- Balance sheet remained strong, EUR 81.8 million cash at hand

(EUR millions)	Q2 2011	Q2 2010	H1 2011	H1 2010	FY2010
Revenue	44.5	39.4	79.3	69.5	123.3
EBITDA	1.7	0.6	5.1	0.1	-8.4
EBITDA margin	3.8%	1.6%	6.5%	0.1%	-6.8%
EBIT	-5.4	-5.8	-9.0	-12.7	-75.6
EBIT margin	-12.1%	-14.8%	-11.3%	-18.3%	-61.3%
Profit for the period, continuing operations	-3.9	-2.6	-7.0	-7.8	-65.3
Profit for the period, discontinued operations	4.1	2.9	47.1	3.8	14.2
Profit for the period*	0.3	0.4	40.1	-4.1	-51.1

*Profit for the period includes EUR 3.8 million gain on disposal of remaining wood processing businesses.

Speciality Alloys Production

- 50% increase in mining
- New concentrate processing plant at TMS operating at full capacity
- EWW operating close to full capacity

Production (tonnes)	Q2 2011	Q2 2010	1H 2011	1H 2010	FY2010
Mining*	20,631	13,757	40,630	20,305	54,917
Processing	7,209	6,802	14,090	8,744	17,994
Total**	27,840	20,558	54,720	29,050	72,911

*Mining includes both chromite concentrate and lumpy ore production.

**The figures in the tables have been rounded off to one decimal point, which must be considered when calculating totals.

Speciality Alloys Financials

- Prices relatively stable for speciality products during the quarter
- Chrome ore prices remained under pressure due to oversupply in China
- Decrease in revenue & EBITDA due to weaker prices than Q2 2010

(EUR millions)	Q2 2011	Q2 2010	1H 2011	1H 2010	FY2010
Revenue	21.1	21.9	41.3	34.1	69.0
EBITDA	3.5	3.9	8.6	3.7	7.8
EBITDA margin	16.8%	17.8%	20.8%	10.8%	11.3%
EBIT	-1.0	-0.4	-0.3	-4.8	-10.0
EBIT margin	-4.7%	-1.7%	-0.8%	-14.0%	-14.5%

FerroAlloys Production

- Increase in mining due to acquisition of Stellite mine
- Mogale operating near full capacity

Production (tonnes)	Q2 2011	Q2 2010	1H 2011	1H 2010	FY2010
Mining*	35,669	N/A	67,657	N/A	N/A
Processing	29,340	22,592	58,282	43,761	65,040
Total**	65,009	22,592	125,939	43,761	65,040

*Mining includes both chromite concentrate and lumpy ore production.

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FerroAlloys Financials

- Revenue rose by 35%, driven by increase in sales volume
- Decrease in EBITDA due to ramp up costs at Stellite, cost inflation & weaker prices than 2010
- EUR1.8 (1H: 3.4) million costs absorbed in EBITDA for DC furnaces feasibility study

(EUR millions)	Q2 2011	Q2 2010	1H 2011	1H 2010	FY2010
Revenue	23.5	17.3	38.1	35.2	54.0
EBITDA	0.1	3.4	0.1	6.1	-1.0
EBITDA margin	0.3%	19.5%	0.3%	17.4%	-1.8%
EBIT	-2.5	1.2	-5.0	1.8	-50.2
EBIT margin	-10.5%	7.2%	-13.2%	5.2%	-93.0%

The Market

- Chrome ore, Ferrochrome & Silico Manganese prices weakened during the quarter
- Speciality alloy prices stabilised during the quarter & expected to remain so during 2H 2011
 - Good demand especially from US customers
- Weaker prices forecast for 2H 2011 due to current uncertainty in global financial markets
- Ruukki's production volumes anticipated to be higher for 2011 than 2010
- Fluctuations of exchange rates between EUR, ZAR, TRY & USD can have significant impact on the Company's financial performance

Growth Projects

- Strong balance sheet & current market turmoil offer opportunities to grow
- Primary objective: increase mining
 - Further increase production capacity at Stellite & TMS
 - Commence production at Mecklenburg & Waylox mine development projects in 2012
 - Increase resource base
- Secondary objective: increase processing capacity
 - Feasibility studies into 2 DC furnaces progressing well