

Q4 & FY 2011 Results

RUUKKI | GROUP

Thomas Hoyer, CEO



**A vertically integrated
speciality ferroalloy producer
focused
on sustainable growth**

Overview

Q4

- Group focused on optimising operations by improving efficiency in the supply chain & working capital management
- Market conditions remained tough during Q4, particularly for chrome ore & charge chrome so FerroAlloys division adjusted processing volumes to match demand
- Situation forecast to continue for H1 2012. Ruukki has taken advantage of ESKOM's electricity buy back offer & placed Mogale's furnaces on care and maintenance, will review situation in Q2

Full Year

- Clear improvement by the Group, despite challenging and volatile market conditions, across key parameters of production, revenue & EBITDA
- Chromex Mining, namely Stellite mine, successfully integrated into FerroAlloys division
- Sale of wood businesses re-deployed into ferroalloys business to provide flexibility & strengthen Group's balance sheet
- This, along with our diversified product range enabled us to weather the difficult market conditions

Group Financial Performance

- Impact of weak demand & prices resulted in slightly negative revenue & EBITDA for Q4
- Balance sheet remained healthy with cash at EUR 65.9 million
- Acquisition of Chromex Mining & stable demand for speciality alloy products positively impacted FY performance

EUR million	Q4 2011	Q4 2010	FY 2011	FY 2010
Revenue	37.3	24.8	159.1	123.3
EBITDA	-1.1	-7.0	1.4	-8.4
EBITDA margin	-2.9%	-28.1%	0.9%	-6.8%
EBIT	-8.0	-54.2	-26.5	-75.6
EBIT margin	-21.3%	-218.7%	-16.6%	-61.3%
Profit for the period, continuing operations	-4.9	-51.0	-18.4	-65.3
Profit for the period	-10.7	-44.5	22.7	-51.1

Speciality Alloys Performance

- Both TMS & EWW continued to operate at near full capacity although production marginally flat quarter on quarter
- Annual production up 48%

Production (tonnes)	Q4 2011	Q4 2010	FY 2011	FY 2010
Mining*	19,566	16,848	82,154	54,917
Processing	6,571	4,947	25,908	17,994
Total	26,137	21,795	108,062	72,911

* Mining includes both chromite concentrate and lumpy ore production.

Speciality Alloys Performance

- Demand for Speciality Alloys products remained stable, although prices weakened slightly quarter on quarter
- Full Year prices for speciality products remained, on average, at same level as 2010
- Rise in revenue & EBITDA due to increased production volumes, with TMS & EWW running at nearly full capacity throughout the year, except for planned yearly maintenance shutdown

EUR million	Q4 2011	Q4 2010	FY 2011	FY 2010
Revenue	20.5	16.7	83.6	69.0
EBITDA	3.3	1.4	13.8	7.8
EBITDA margin	15.9%	8.1%	16.5%	11.3%
EBIT	-1.1	-3.2	-3.8	-10.0
EBIT margin	-5.2%	-19.2%	-4.6%	-14.5%

FerroAlloys Performance

- Stellite successful ramped-up to annualised run of mine rate of 360,000 tonnes
- Processing volumes were flat quarter on quarter due to the lack of demand
- Full Year production volumes increased by 278%, mainly due to acquisition of Chromex Mining

Production (tonnes)	Q4 2011	Q4 2010	FY 2011	FY 2010
Mining*	45,792	N/A	159,455	N/A
Processing	14,974	12,088	86,445	65,040
Total	60,766	12,088	245,900	65,040

*Mining includes both chromite concentrate and lumpy ore production.

FerroAlloys Performance

- Charge Chrome prices remained weak during the quarter, 15% less than Q4 2010 but almost the same as Q3
- Processing volumes adjusted accordingly, two furnaces at Mogale remained on care and maintenance during the quarter, after shutdown for yearly maintenance in July

EUR million	Q4 2011	Q4 2010	FY 2011	FY 2010
Revenue	16.8	8.1	75.4	54.0
EBITDA	-1.9	-5.7	-3.9	-1.0
EBITDA margin	-11.2%	-70.7%	-5.2%	-1.8%
EBIT	-4.4	-48.3	-14.0	-50.2
EBIT margin	-26.2%	-600.3%	-18.6%	-93.0%

Outlook for 2012

- Global economic outlook for 2012 is uncertain, demand for commodities, primarily driven by Chinese consumption, remains weak.
- Ferroalloy market is expected to continue to be volatile during the year.
- The Group is preparing for significant price fluctuations and will continue to adapt its productions levels accordingly.
- Mogale has taken advantage of ESKOM's electricity buy back offer and put furnaces on care and maintenance for the first half of the year. Decision will be reviewed during Q2.
- Until the market for its products improves, the Group expects its financial result for the full year 2012 to be broadly comparable to 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.