



RUUKKI | GROUP



Q1 2012 Interim Results

Thomas Hoyer, CEO

Overview

- Total production was 91,167 (Q1 2011: 87,809 and Q4 2011: 86,903) tonnes
- Demand remained weak throughout the quarter with prices of most products below Q1 2011 levels
- Group's diversified product range continued to offer protection in the weak market conditions
 - Speciality Alloy continuing to perform well
 - Ferrochrome prices positively impacted by production cuts in South Africa
 - Chrome ore suffering from oversupply
- Consolidation of control & ownership of Speciality Alloys business announced
 - Acquisition of 100% share capital in EWW & termination of tolling agreement
 - Termination of TMS & RCS profit & loss share arrangement

Group Financial Performance

- Best revenue performance for 5 quarters, mainly a result of volume growth
- Profitability impacted negatively by weak prices, however, EBITDA improved by 3.9 million quarter on quarter
- Cash flow from operations EUR 1.6 (Q1 2011: 3.8) million and cash-balance at quarter end EUR 65.1 (Q1 2011: 89.2) million

EUR millions	Q1 2012	Q1 2011	Change	FY2011
Revenue	46.7	34.8	34.3%	159.1
EBITDA	2.8	3.5	-19.3%	1.4
EBITDA margin	6.0%	9.9%		0.9%
EBIT	-4.1	-3.6		-26.5
EBIT margin	-8.8%	-10.2%		-16.6%
Profit from continuing operations	-2.1	-3.1		-18.4
Profit	-2.1	39.9		22.7

Sales

- Speciality Alloys enjoyed strong volume growth but decrease in prices y-o-y
- Eskom's electricity buy-back program in South Africa had a mixed impact demand/supply balance for FerroAlloys:
 - Ferrochrome prices increased by production cuts
 - Chrome ore prices suffered from surplus supply
 - Ruukki an active participant in discussions between industry & South African government over export tax on chrome ore

Sales from processing (tonnes)	Q1 2012	Q1 2011	Change	FY2011
Speciality Alloys	9,582	5,640	69.9%	24,292
FerroAlloys	23,232	23,074	0.7%	82,663
Total	32,814	28,714	14.3%	106,955

Speciality Alloys Performance

- TMS & EWW operated at near full capacity
- Continuing to focus sales efforts on long-term agreements with customers
- 100% ownership of EWW will secure supply chain

Production (tonnes)	Q1 2012	Q1 2011	Change	FY2011
Mining*	19,255	19,998	-3.7%	82,154
Processing	6,740	6,881	-2.0%	25,908
Total	25,995	26,879	-3.3%	108,062

* Mining includes both chromite concentrate and lumpy ore production.

Speciality Alloys Performance

- Revenue increased by 5.2%
- Demand for Speciality Alloys products was firm during the quarter but prices were still lower than Q1 2011

(EUR millions)	Q1 2012	Q1 2011	Change	FY2011
Revenue	21.2	20.2	5.2%	83.6
EBITDA	3.2	5.0	-37.4%	13.8
EBITDA margin	14.9%	25.0%		16.5%
EBIT	-1.3	0.7		3.8
EBIT margin	-6.0%	3.2%		-4.6%

FerroAlloys Performance

- Stellite mine operated according to plan
- Processing volumes declined sharply following Ruukki's decision to accept Eskom's electricity buy-back offer and majority of Mogale's furnaces were shut down during the quarter

Production (tonnes)	Q1 2012	Q1 2011	Change	FY2011
Mining*	55,234	31,987	72.7%	159,455
Processing	9,938	28,942	-65.7%	86,445
Total	65,172	60,929	7.0%	245,900

*Mining includes both chromite concentrate and lumpy ore production.

FerroAlloys Performance

- Revenue increased substantially over Q1 2011, driven by increased volumes
- Increased sales & income from Eskom electricity buy-back programme resulted in positive EBITDA

(EUR millions)	Q1 2012	Q1 2011	Change	FY2011
Revenue	25.5	14.6	74.4%	75.4
EBITDA	1.4	0.0		-3.9
EBITDA margin	5.4%	0.3%		-5.2%
EBIT	-1.1	-2.6		-14.0
EBIT margin	-4.3%	-17.5%		-18.6%

Outlook

- Global economic outlook for 2012 remains uncertain, which is causing uncertainty in our target markets
- Ferroalloy markets are expected to continue to be volatile; the Group is preparing for significant price fluctuations & will continue to adapt its production levels accordingly
- Group will review furnace shutdowns at Mogale during Q2 2012
- Market for speciality alloys expected to be more stable than ferroalloys
- Group expects FY2012 financial results to be comparable to FY2011