



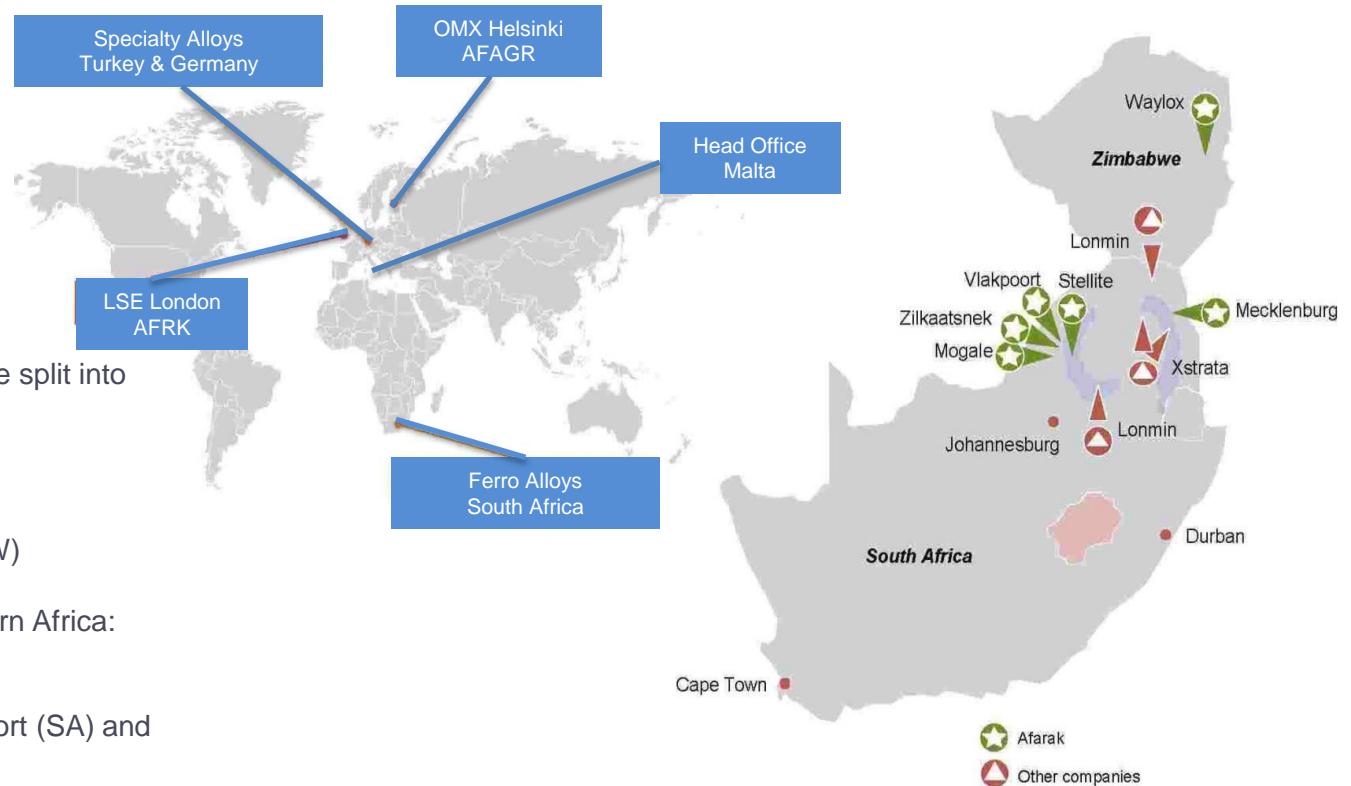
ANNUAL GENERAL MEETING 2014

The Year in Review & Looking forward

Dr. Danko Koncar
Chief Executive Officer

GROUP OVERVIEW

Afarak is a growing, integrated resource company producing chrome and supplying speciality products to the steel and stainless steel industries. The Company is listed on the NASDAQ OMX Helsinki and the London Stock exchanges.



The Group's chrome operations are split into two businesses:

- **Speciality Alloys:**
 - Turkish mining operation (TMS)
 - German processing plant (EWW)
- **Ferro Alloys**, located in Southern Africa:
 - Stellite and Mecklenburg mines
 - Mogale processing plant
 - Development projects – Vlakpoort (SA) and Waylox (Zimbabwe)



ACHIEVEMENTS IN 2013

- AFARAK remains committed to growth and improving shareholder value
- 2013 was a year of change with a successful turnaround
- We increased ore reserves and published a new resource statement
- Changes introduced: reduced and stabilized costs and put in place a solid foundation for growth
- We have successfully changed our name to AFARAK Group

HIGHLIGHTS

- Management and Board changes
- Consolidation of teams in mining and processing
- Relocation and re-distribution of functions across the Group resulting in substantial savings without compromising performance
- Corporate Governance and Legal functions in Helsinki
- Financial functions in Malta
- Investment in granulator and converter in Mogale Alloys on schedule and budget
- Capital redemption increased to 2c (5.8% yield for the 38 c share)



MINERAL RESOURCES & MINERAL RESERVES AS PUBLISHED

- **SOUTH AFRICA - CHROMITE & PGM (Platinum Group Metals)**
Stellite, Mecklenburg & Vlakpoort

TOTAL CHROMITE RESERVES & RESOURCES: **69.7 Mt**

TOTAL PGM: **2.67 MOz.**

- **TURKEY (Group of Mines & Tailings)**

TOTAL CHROMITE RESERVES & RESOURCES: **6.3 Mt**

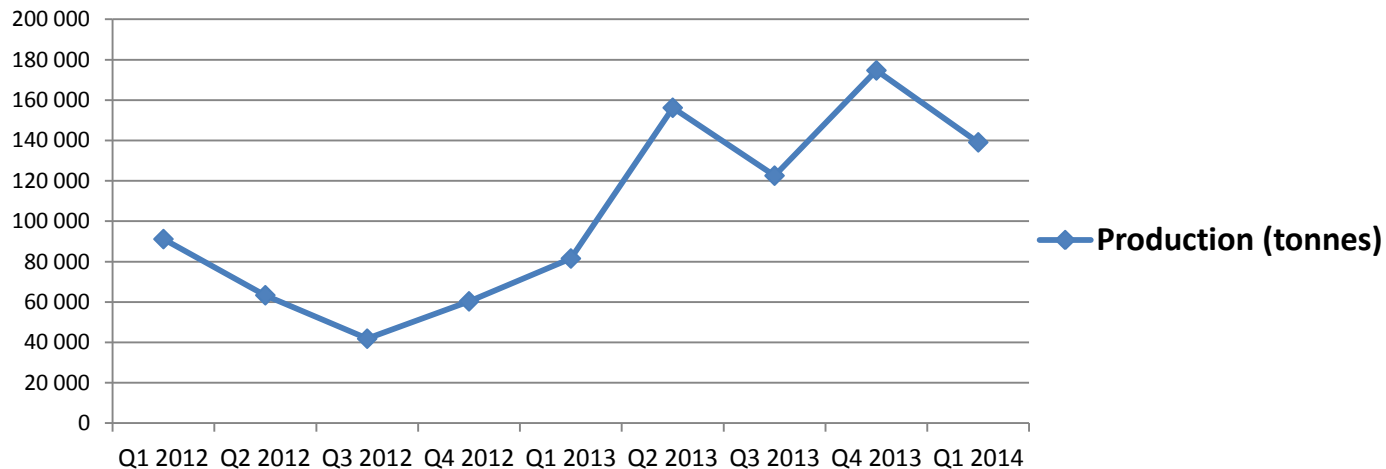
HEALTH & SAFETY

- Afarak Group's safety target is achieving **ZERO HARM**
- Group has standardised safety, health & environmental policies
 - Regular safety training in all operational units
 - Periodic medical checks in all operational units
 - Periodic updating of safety and protection garments
- Safety records in all units are improving and are in line with the standard European data (Q1 2014 improved in relation to 2013)
 - All operational units are within safety standards

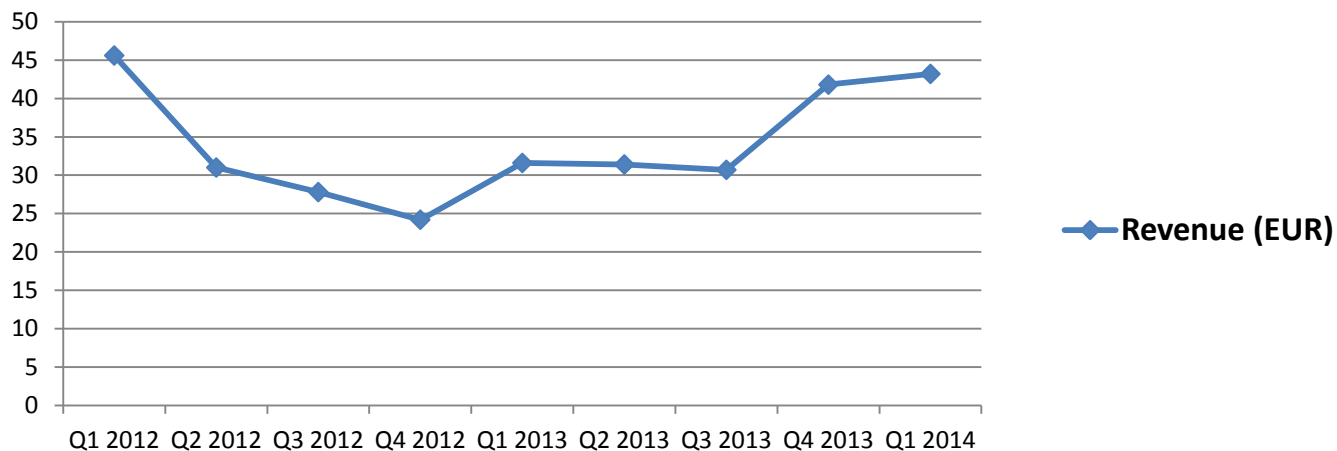
GROUP PERFORMANCE

- **Production** : 568,278 tonnes
- **Revenue** : EUR 135.5 million
- **EBITDA** : EUR 14.0 million
- Cash balance of **EUR 13.8 million**, at 31 December 2013
- Cash balance of **EUR 16.8 million** on 31 March 2014

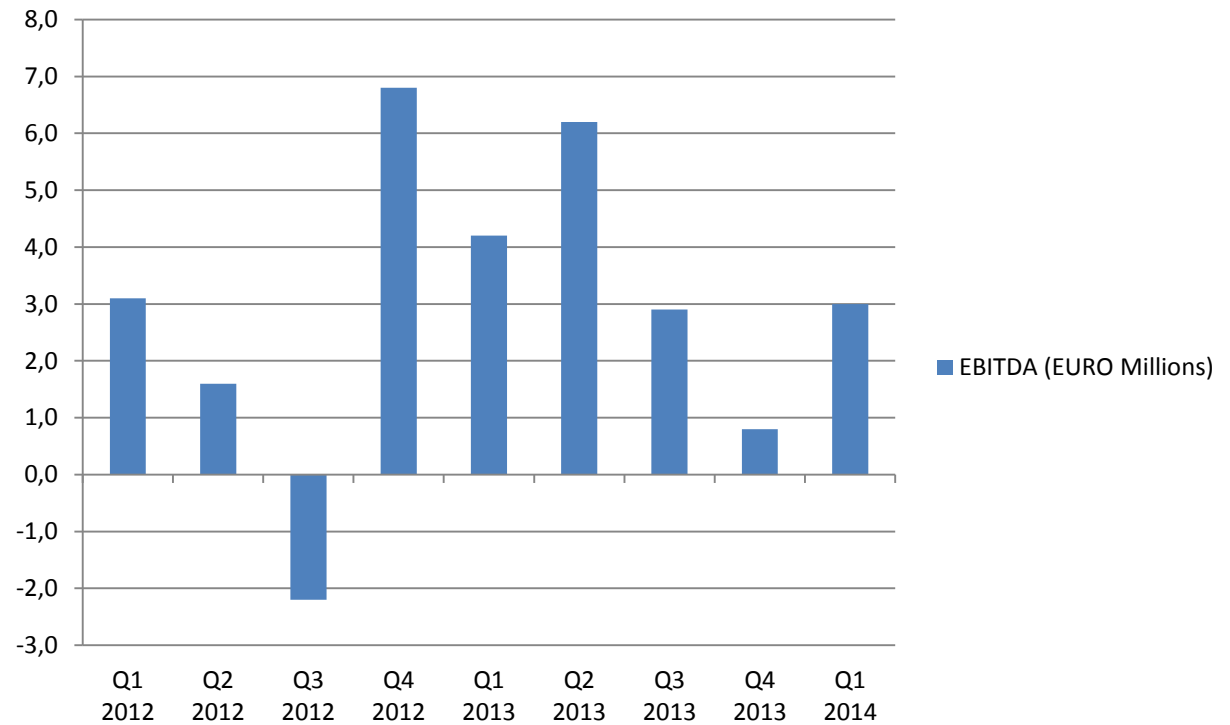
PRODUCTION BY QUARTERS



REVENUE BY QUARTERS



PROFITABILITY BY QUARTERS





SPECIALTY ALLOYS PERFORMANCE

Financial Performance (EURO Millions):

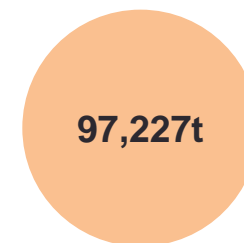
	Q1 2014	FY 2013	FY 2012
• Revenue	22.1	74.5	76.5
• EBITDA	1.0	9.0	11.0
• EBITDA margin %	4.5	12.1	14.3
• EBIT	0.3	-6.1	-6.7
• EBIT margin(%)	1.5	-8.2	-8.7

Production (tonnes):

	FY 2013	FY 2012
Mining:	70,988	72,098
Processing:	23,242	25,129



2013
(total)



2012
(total)

FERRO ALLOYS PERFORMANCE

Financial Performance (EURO Millions):

	Q1 2014	FY 2013	FY 2012
• Revenue	21.1	61.1	52.1
• EBITDA	2.3	8.8	3.5
• EBITDA margin %	11.1	14.4	6.7
• EBIT	0.9	2.0	-4.8
• EBIT margin(%)	4.4	3.3	-9.3

Production (tonnes):

	FY 2013	FY 2012
Mining:	425,585	140,346
Processing:	48,463	50,522

474,048t

2013
(total)

190,868

2012
(total)

Q1 2014 PERFORMANCE

Financial Performance (EURO Millions):

	Q1 2014	Q1 2013	FY 2013
• Revenue	43.2	31.6	135.5
• EBITDA	3.0	4.2	14.0
• EBITDA margin %	7.0	13.2	10.4
• EBIT	0.9	-2.1	-8.0
• EBIT margin(%)	2.1	-6.5	-5.9

Sales (processed tonnes):

	Q1 2014	Q1 2013
Speciality Alloys	6,822	5,662
FerroAlloys	15,324	9,330
Total	22,146	14,992

Production:

139,084t

Q1 2014
(total)

81,551t

Q1 2013
(total)

MARKETS

- Worldwide total stainless steel output in 2013 reached an all time high figure of 38.13Mt. This exceeds last year's peak by 7.8%. The indication is that global production will grow by a further 3.6% this year to reach a new record of 39.5Mt
- China's output climbed more quickly than had been predicted to almost 19Mt last year.
- Japanese stainless steel making showed modest annual growth of 1.2% in 2013 and continues to increase into Q1 2014.
- While there are signs of economic recovery in the EU, producers in this region have lost market share globally. Last year European output fell by 4%.

2014 OUTLOOK

- The global economic outlook is showing signs of recovery with western industrial nations issuing positive economic indicators.
- Demand for commodities is also showing recovery with increase in demand for speciality alloys in United States.
- The ferroalloy market is expected to continue the positive trend of 2013 during which consumption reached record levels. To date, however, pricing has not responded to the increased demand.
- The Group continues to be prepared for significant price fluctuations and will continue to adapt its production levels accordingly.
- At Mogale Alloys, part of the Ferro Alloys division, the Company expects to start production of medium carbon ferrochrome during the third quarter of 2014, which is expected to have a positive impact on our profit margins.
- In the Speciality Alloys division we are expecting to see an increase in our raw materials cost due to current market conditions. As a result the Group expects its financial performance for the full year 2014 to marginally improve compared to 2013.