

12th Asian **Ferro-alloys** Conference

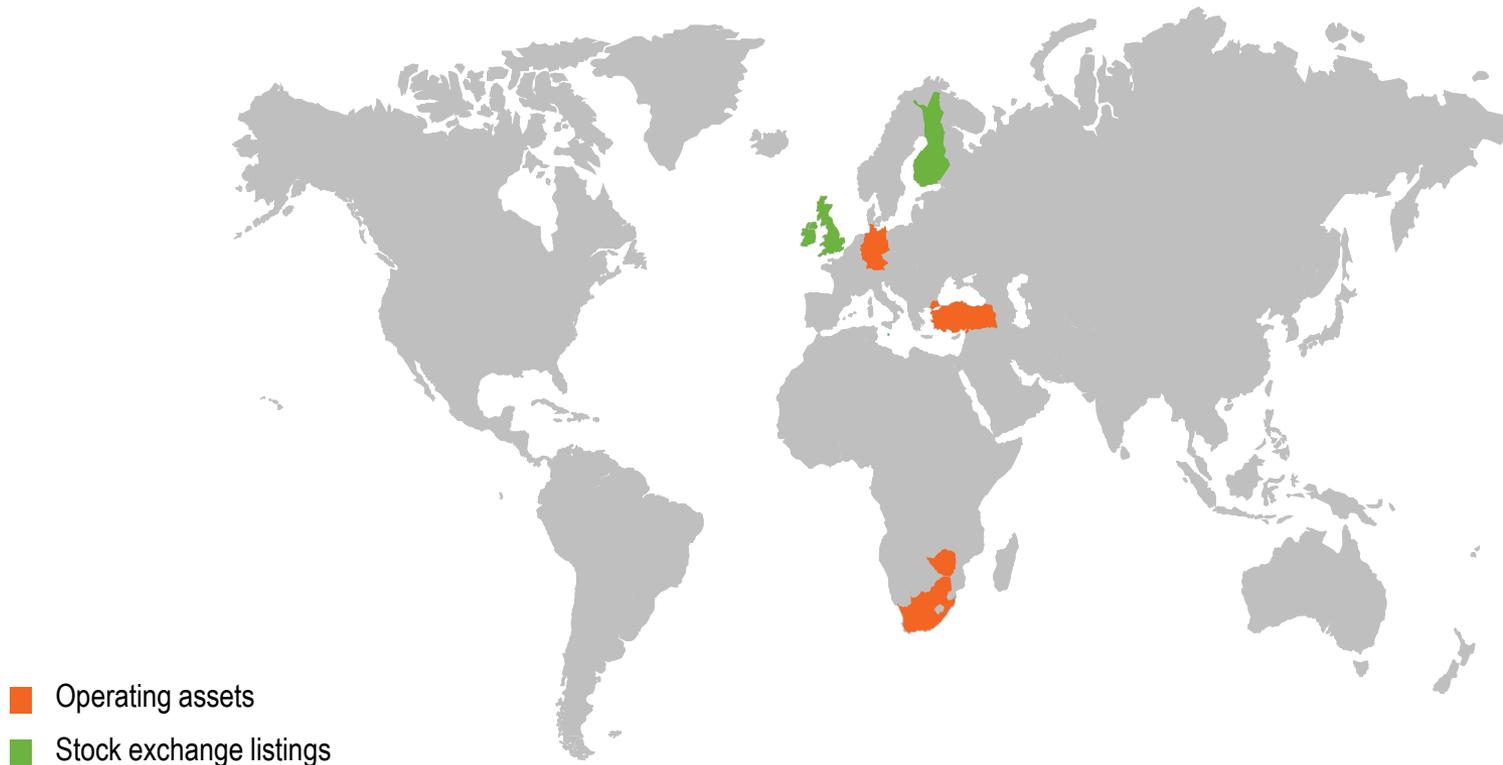
RUUKKI | GROUP

Danko Konchar
Managing Director

**Unlocking Value To
Deliver Sustainable Growth**



1. Ruukki Leveraging Competitive Advantages for Growth



Ruukki Group is an international public corporation which operates its own assets, including mining, metallurgical production and global sales & marketing.

Ruukki's Future Growth Profile Over Next Five Years

Mining



Processing



Sales



FerroAlloys S.Africa

Stellite Mine
300,000tpa*

600,000tpa*

Mecklenberg,
Waylox & others
300,000tpa*

Mogale, S.Africa
110,000tpa*
FeCr | SiMn | SSA

2 DC Furnaces
280,000tpa*

Chrome Ore
Plasma Charge FeCr
SilicoManganese
Stainless Steel Alloy
Chromite Concentrates

Speciality Alloys

TMS, Turkey
120,000tpa*

EWW, Germany
30,000tpa*

RCS, Malta

Low carbon
Ultra low carbon
Speciality low carbon

* Installed capacity of saleable chrome product

Africa – Metals & Mining

- *The world has lived on the back of cheap commodities. In general the third-world countries are the producers. The terms of trade are now changing !*
- For a long time producers in the World had enough supply of raw materials and energy. This situation is changing rapidly, especially where energy is concerned.
- Prices will continue to rise due to expanding consumption in China & India. This has changed the market dynamics.
- China and developed World will be the main source of funding for mining and metallurgical projects. This is very evident on Africa continent.
- Competitive operating cost (opex) is the KEY.

Africa – Metals & Mining

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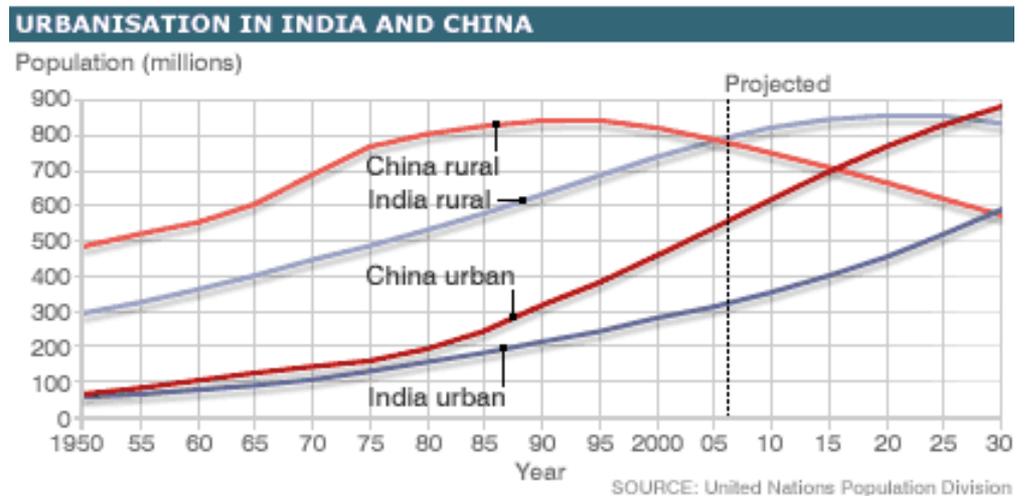
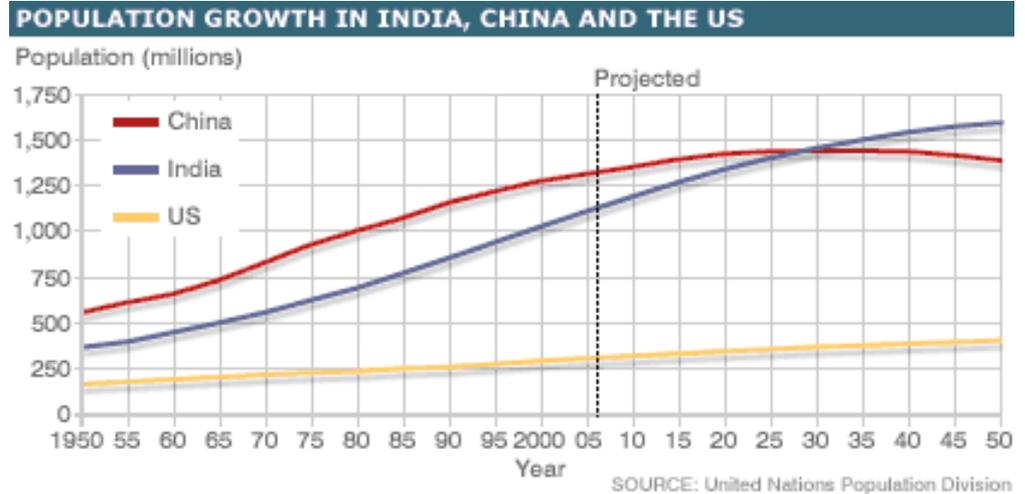
- **Investments in Africa are very dependent on political situation and would only happen if:**
 - a) **the investor's investment is protected from political turmoil**
 - b) **basic infrastructure exists to support the investment**
 - c) **skills are available AND**
 - d) **the Governments have the will and energy to support investments and partnerships.**

- **African raw material producers have to:**
 - a) **be flexible in terms of volumes and needs of the markets**
 - b) **avoid competing with each other in order not to undermine markets, profitability**
 - c) **learn to be responsive to varying demand, shifting patterns, etc.**
This will have large consequences for their own future, for employees, service providers, utilities, and of course for the Government revenue.

One Third Rule

China & India are the driving force of the World economy, and they will continue to consume more and more raw material.

- One in three people worldwide lives in either China, the largest communist country, or India, the largest democracy.
- For the moment, China remains the most populous nation, with 1.3 billion inhabitants, followed by India, which is home to 1.1 billion.
- But India's higher fertility rate means the gap is narrowing and the UN expects it to overtake China before 2030.
- Both countries are also experiencing rapid growth in their urban populations.
- In China, the number of people in towns and cities is likely to exceed the number in the countryside by 2015.



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Thank you

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