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07:01 London, 09:01 Helsinki, 30 September 2010 – Ruukki Group Plc, Stock
Exchange Release

RUUKKI GROUP ANNOUNCES A RECOMMENDED CASH OFFER FOR UK BASED CHROMEX MINING PLC

Ruukki Group Plc has made today an announcement in accordance with the Rule 2.5 of the City Code on Takeovers and Mergers in the United Kingdom ('Takeover Code') that it has reached an agreement on the terms of a recommended offer by joint venture company Synergy Africa Limited ('Synergy Africa') to acquire the entire issued and to be issued share capital of Chromex Mining Plc ('Chromex') at approximately GBP 37.0 million (EUR 42.9 million) (exchange rate on 29 September 2010).

Ruukki and Kermas Limited ('Kermas') have entered into a joint venture through the establishment and financing of Synergy Africa in order to facilitate the acquisition of Chromex pursuant to the offer. Ruukki's ownership in Synergy Africa is 51 per cent. and Kermas' is 49 per cent. Kermas is the largest shareholder of Ruukki with a 28.51 per cent. holding.

This announcement is given in addition to the official Rule 2.5 announcement to present the information in a form that is familiar to NASDAQ OMX Helsinki based investors. Investors should not rely wholly on this announcement and should read the Rule 2.5 announcement, which has been published as Ruukki's stock exchange release earlier today on 30 September at 07:00 London time (09:00 Helsinki time).

Chromex is a public company listed on the AIM market of the London Stock Exchange operating in chrome production by acquiring, controlling and developing chromite mining and processing facilities. It currently has two key mining assets located on the Bushveld Complex in South Africa, which between them have a gross total chromite resource of approximately 41 million tonnes as well as exploration claims in Zimbabwe.

The offer is for GBP 0.365 (EUR 0.424) per Chromex share in cash. It represents a premium of 82.5 per cent. to the closing price of GBP 0.20 (EUR 0.232) per Chromex share on 14 July (being the last business day prior to the commencement of the offer period) and a premium of 83.4 per cent. to the average 90 day period up to and including the 14 July 2010 (being the last business day prior to the commencement of the offer period).

The Chromex Directors, who have been so advised by Panmure Gordon (UK) Limited, consider the terms of the Offer and the Warrant Offer to be fair and reasonable. In providing advice to the Chromex Directors, Panmure Gordon has taken into account the Chromex Directors' commercial assessments. The Chromex Directors intend to recommend unanimously that Chromex shareholders accept the Offer and that holders of Chromex Warrants accept the Warrant Offer, as the Chromex Directors and their connected parties have irrevocably undertaken to do so in respect of their own beneficial holdings in Chromex comprising, in aggregate, 10,050,000 Chromex shares, representing in aggregate approximately 11.3 per cent. of the existing issued share capital of Chromex. Synergy Africa has also received irrevocable undertakings from certain other holders of Chromex shares to accept the offer in respect of 35,975,000 Chromex shares representing approximately 40.4 per cent. of the entire existing issued share capital of Chromex. Accordingly, Synergy Africa has received irrevocable undertakings to accept, or procure the acceptance of, the offer in respect of, in aggregate, 46,025,000 Chromex shares, representing approximately 51.7 per cent. of Chromex's entire existing issued share capital.

Background to and reasons for the offer:

Ruukki's current operation in South Africa, Mogale, consists of processing

facilities only. Mogale does not have any security of chrome ore supply as ore is procured from various sources on short term contracts.

Chromex's Stellite mine, located in one of the world's premier chromite mining districts, is in operation with all the necessary infrastructure in place. In addition, Chromex has a total of 41 million tonnes of chrome resources, with new order mining rights making it an attractive and logical acquisition target. Stellite is located approximately 80 kilometres from Mogale.

Ruukki expects that the offer will enable Ruukki to achieve its stated strategy of increasing production capacity, expanding market share and vertically integrating its whole business through:

- a) vertical integration of the South African operations as Mogale will secure its own, long term ore supply, thereby completing the business model of mining, processing, sales and marketing;
- b) expansion of Ruukki's production volumes as Chromex's Stellite mine is currently in operation. In addition to the expected increase from 20,000 ROM tonnes per month to 40,000 ROM tonnes per month when the DMS circuit is installed, Ruukki believes there is an opportunity to further increase Chromex's forecast monthly production rate over the short to medium term if the underground development plans for Stellite and Mecklenburg are successfully implemented;
- c) supporting the planned increase in the production capacity of Ruukki's South African operations through the additional, potential increase in the production volume from Chromex's Stellite mine;
- d) potential to increase Ruukki's processing capacity as there is the opportunity for two DC furnaces to be built at the Stellite mine. Ruukki has entered into a framework agreement with MCC of China for the construction of two such DC furnaces. Ruukki has significant technological skill and experience in successfully operating DC furnaces. Until such time as these furnaces are built, any excess ore supply from Stellite will be exported to customers in China or India;
- e) consolidating Ruukki's presence in one of the world's premier chromite mining regions and geographically diversifying into Zimbabwe with the greenfields project, Waylox;
- f) enabling synergies in the areas of operational expertise, human resources, cost savings and efficiencies. Ruukki anticipates retaining most of all of Chromex's operational team. It is expected that following completion, Ruukki will bring in-house the sales and marketing operations which Chromex currently outsources; and
- g) diversifying Ruukki's product range with the production of chemical, metallurgical, refractory and foundry grade concentrates and PGE by-products, as well as excess ore supply available for export in the short to medium term.

Chromex's operations will benefit from Ruukki's management expertise and knowledge in mining, minerals processing and sales and marketing expertise.

During the year ended 30 September 2009, Chromex's Group Income Statement shows a loss before tax of GBP 151,000 (EUR 175,214) (2008: loss GBP 1,406,000 (EUR 1,631,469)). After adjusting for future tax there was a profit after tax of GBP 195,000 (EUR 226,270) (2008: loss GBP 1,406,000 (EUR 1,631,469)). These results reflect the fact that much of the year was taken up with the construction of the Stellite processing plant, while producing sufficient chrome to provide positive cash flow, and retaining valuable chrome resources in the ground pending an upturn in prices.

The loss before and after tax for the period 1 October 2009 – 31 March 2010 was GBP 399,000 (EUR 462,984) (2009 – profits GBP 81,000 (EUR 93,989); after tax GBP 47,000 (EUR 54,537)). This was a period of reduced volumes and lower than expected recoveries as well as low Rand based chrome prices.

Unaudited consolidated income statement
for the six months ended 31 March 2010

	6 Months ended 31 March 2010	6 Months ended 31 March 2009	Year ended 30 September 2009
[Pounds] '000	[Pounds] '000	[Pounds] '000	
Revenue	964	1,613	2,016
Cost of sales	(683)	(1,068)	(1,204)
Gross (loss)/profit	281	545	812
Administrative expenses	(668)	(500)	(993)
Cost of bankable feasibility study	-	(27)	(8)
Operating (loss)/profit before finance costs	(387)	18	(189)
Finance income	7	63	38
Finance expense	(19)	-	-
(Loss)/profit before tax	(399)	81	(151)
Taxation	-	(34)	346
(Loss)/profit for the period	(399)	47	195
(Loss)/profit per share			
Basic	(0.47)p	0.06p	0.23p
Diluted	(0.47)p	0.05p	0.23p

Unaudited consolidated balance sheet
as at 31 March 2010

	6 Months ended 31 March 2010	6 Months ended 31 March 2009	Year ended 30 September 2009
[Pounds] '000	[Pounds] '000	[Pounds] '000	
Assets			
Non-current assets			
Property, plant and equipment	10,438	6,824	9,699
Deferred tax	569	79	525
Intangible assets	-	886	-
	11,007	7,789	10,224

Current assets			
Inventories		1,111	134 766
Trade and other receivables		76	407 611
Cash and cash equivalents		1,406	2,270 1,182
Other debtors		163	- -
		2,756	2,811 2,559
Total assets		13,763	10,600 12,783
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital		850	850 850
Share premium		9,120	9,120 9,120
Accumulated losses		(1,369)	(1,118) (970)
Exchange reserves		1,747	423 1,180
Total equity		10,348	9,275 10,180
Non-current liabilities			
Provisions		383	399 353
Loans and borrowings		2,320	734 1,724
		2,703	1,133 2,077
Current liabilities			
Trade and other payables		712	192 526
		712	192 526
Total equity and liabilities		13,763	10,600 12,783
Chromex Mining plc			
Group income statement			
for the year ended 30 September 2009			
		2009	2008
		[Pounds] '000	
[Pounds] '000			
Revenue		2,016	440

Cost of sales		(1,204)		(204)	
Gross Profit		812		236	
Administrative expenses		(993)		(956)	
Cost of bankable feasibility study		(8)		(46)	
Share Based Payments		-		(790)	
Operating loss before finance costs		(189)		(1,556)	
Finance income		38		151	
Finance expense		-		(1)	
Loss before tax		(151)		(1,406)	
Taxation		346		-	
Profit/(loss) for the year		195		(1,406)	
Profit/ (loss) per share					
Basic and diluted		0.23p		(1.94)p	

Chromex Mining plc					
Group and Company balance sheet					
as at 30 September 2009					
		Group		Company	
		2009		2008	
		[Pounds] '000		[Pounds] '000	
[Pounds] '000					
Assets					
Non-current assets					
Property, plant and equipment		9,699		5,480	
Deferred tax		525		106	
Intangible assets		-		886	
Investments		-		-	
		10,224		6,472	
Current assets					
Inventories		766		123	

Loans to subsidiary companies	-	-	6,113	4,845
Trade and other receivables	611	590	101	88
Cash and cash equivalents	1,182	2,566	898	2,271
	2,559	3,279	7,112	7,204
Total assets	12,783	9,751	9,524	9,618
Equity and liabilities				
Equity attributable to equity holders of the Company				
Share capital	850	847	850	847
Share premium	9,120	9,071	9,120	9,071
Accumulated losses	(970)	(1,165)	(493)	(361)
Exchange reserves	1,180	29	-	-
Total equity	10,180	8,782	9,477	9,557
Non-current liabilities				
Provisions	353	286	-	-
Loans	1,724	1	-	-
	2,077	287	-	-
Current liabilities				
Trade and other payables	526	682	47	61
	526	682	47	61
Total equity and liabilities	12,783	9,751	9,524	9,618

Commenting on the offer, Alwyn Smit, Chief Executive Officer of Ruukki, said:

'The acquisition of Chromex is a logical transaction as it achieves all three of our strategic objectives; it completes the vertical integration of our South Africa business, it increases our production capacity and it expands our market share. By acquiring an accessible and sizeable resource base, we are consolidating our presence in one of the world's premier chrome mining regions, adding immediate value to our existing operations and optimizing the value in exploring our own alternative power generation sources.

Looking ahead to the medium term, Chromex provides a critical building block for our processing growth plans, particularly the construction of two 70MW DC furnaces, which will have a planned combined annual capacity of up to 280,000 tonnes, and we will be examining the opportunity for building these DC furnaces at Stellite.'

The arrangements between Ruukki and Kermas relating to the establishment and financing of Synergy Africa and the acquisition and holding of Chromex shares

require the approval of Ruukki shareholders (other than Kermas) at an Extraordinary General Meeting of Ruukki. This is a requirement of the United Kingdom Listing Rules due to Ruukki's premium listing on the Main Market of the London Stock Exchange. A notice to the extraordinary general meeting will be published separately. The offer will be subject to certain conditions, principally the receipt of acceptances in respect of not less than 90 per cent. of the issued Chromex shares, the approval of Ruukki shareholders as outcome above and South African competition clearance and written confirmation from the South African Department of Mineral Resources that the acquisition resulting from the implementation of the offer will not require the approval of the Minister of Mineral Resources under section 11 of the Minerals and Petroleum Resources development Act, No.28 of 2002 (the 'MPRD Act'). Synergy Africa will be able to proceed with the offer in the event that acceptances do not reach 90 per cent, providing they reach more than 50 per cent.

More complete information on the offer may be found from the attached Rule 2.5 announcement.

RUUKKI GROUP PLC
Alwyn Smit
CEO

Ruukki Group is an industrial group focusing on minerals and wood processing businesses. Ruukki Group Plc's shares are listed on NASDAQ OMX Helsinki and the London Stock Exchange.

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A conference call for investors, analysts and media will be held at 10:00 a.m. London time (12:00 Helsinki time) today, 30 September 2010 and presentation is available on the Ruukki website at www.ruukkigroup.fi. To access the call, please dial-in at least 10 minutes beforehand and quote the reference: 720046#

UK Toll-Free: 0800 376 4751
Finland Toll-Free: 0800 115 351
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A replay facility will be available for one week after the call, using the reference: 275785#, please dial:
UK Toll-Free: 0808 238 9699
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