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AFARAK GROUP REPURCHASES 10% OF THE SHARES HELD BY THE MOGALE ALLOYS TRUST

Afarak Group is pleased to announce an agreement between Afarak Mogale and the Mogale Alloys Workers Trust on the purchase of all the shares the Trust holds in Afarak Mogale.

In 2009; Ruukki Group, today Afarak Group, acquired 90% of Afarak Mogale. The remaining 10% was held by the Mogale Alloys Workers Trust. For the past 5 years, numerous requests have been made by the beneficiaries of the Mogale Alloys Workers Trust for Afarak Group to acquire the additional 10%. After several years of negotiation, an agreement was finally reached between the Trust and Afarak Mogale, with the approval of the majority of the beneficiaries of the Trust. Afarak Mogale has put forward an offer of ZAR64.9 million to acquire the remaining 10% in a share buy-back scheme that will see the shares transferred to Afarak Mogale over an 8-year period.

Willem Smith, managing director of Afarak Mogale, expressed his satisfaction at the conclusion of negotiations. He further added that he felt confident that management and employees were now fully aligned on the shareholding and incentive structure of Afarak Mogale and this should usher a new era of industrial relations.

Guy Konsbruck, CEO of Afarak Group said that, "This buy-back is an important element in consolidating our position in South Africa. I would like to thank Dr Alistair Ruiters, the former CEO, and the team at Mogale for concluding the negotiations."

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ABOUT AFARAK

Afarak is a vertically-integrated specialist alloys company. Throughout its various operations in South Africa, Turkey and Germany; Afarak extracts, processes, markets and trades its specialised metals. Trusted by a highly diversified customer base that includes industry leaders from the aviation, nuclear, oil & gas and automotive sectors; the Company is able to produce a unique alloy mix for every customer. As the Company aims to create value across the product-chain, Afarak remains committed to sustainable development, investment and to delivering a healthy financial performance for its shareholders. Afarak is listed on the Helsinki Stock Exchange (AFAGR (OMX)) and the London Stock Exchange (AFRK).