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Today’s attendees of Outokumpu

Roeland Baan
CEO

Reinhard Florey
CFO

Johanna Henttonen
SVP – Investor Relations

February 11, 2016
Contents

1. 2015 overview
2. Financial performance
3. Outlook and guidance
2015 in brief

- EMEA improved due to restructuring benefits despite difficult market
- Stronger balance sheet due to divestment of SKS and Fischer Mexicana
- Net debt down to EUR 1.6bn., gearing to 69%, successful debt refinancing
- Net result for 2015 positive EUR 86 million, supported by EUR 432 million gain from the divestments
- Synergy, P250 and P400 programs completed successfully
  - EUR 450 million savings; EUR 574 million release of NWC; headcount down by 2,330 vs. 2012

- Very difficult markets in all regions, real demand healthy but distributor demand affected by very low nickel price resulting in destocking
- Lower deliveries y-o-y in all businesses except for Quarto Plate
- Coil Americas performance deteriorated in 2015 as a result of lower volumes and intense price pressure

1) Source: CRU January 2016, price for 2mm sheet cold rolled 304 grade
About 1% demand growth expected for 2016

Data source: SMR, February 2016

Real demand for total stainless steel (rolled & forged products, excl. 13Cr tubes, profiles)
Stainless steel base price resilient in Europe, but strongly down in the US

European base prices 1), EUR/t

<table>
<thead>
<tr>
<th>Year</th>
<th>Price (EUR/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1,000</td>
</tr>
<tr>
<td>2013</td>
<td>1,050</td>
</tr>
<tr>
<td>2014</td>
<td>1,100</td>
</tr>
<tr>
<td>2015</td>
<td>1,150</td>
</tr>
</tbody>
</table>

US base prices 1), USD/t

<table>
<thead>
<tr>
<th>Year</th>
<th>Price (USD/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1,200</td>
</tr>
<tr>
<td>2013</td>
<td>1,250</td>
</tr>
<tr>
<td>2014</td>
<td>1,300</td>
</tr>
<tr>
<td>2015</td>
<td>1,350</td>
</tr>
</tbody>
</table>

1) 2mm sheet cold rolled 304 grade

Source: CRU January 2016
Strong decline in commodity prices resulted in distributor destocking

Nickel price and stocks ¹)

Outokumpu sales by customer type

Distributors  End-customers

Nickel price historically low impacting distributor sector buying

¹) Source: Nickel Cash LME Daily Official
Import pressure in Europe decreased, US imports remaining at elevated levels

Market penetration of imports in Europe, %

<table>
<thead>
<tr>
<th></th>
<th>Q4/15&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Q3/15</th>
<th>FY15</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>0.2</td>
<td>0.2</td>
<td>1.4</td>
<td>9.6</td>
</tr>
<tr>
<td>Total</td>
<td>25.0</td>
<td>27.8</td>
<td>24.6</td>
<td>30.6</td>
</tr>
</tbody>
</table>

Market penetration of imports in the US, %

<table>
<thead>
<tr>
<th></th>
<th>Q4/15&lt;sup&gt;3&lt;/sup&gt;</th>
<th>Q3/15</th>
<th>FY15</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>4.8</td>
<td>6.0</td>
<td>9.1</td>
<td>7.3</td>
</tr>
<tr>
<td>Total</td>
<td>23.7</td>
<td>22.3</td>
<td>26.8</td>
<td>23.8</td>
</tr>
</tbody>
</table>

Source: Foreign Trade Statistics and Eurofer January 2016

1) SMR CR real demand December 2015
2) December based on forecast
3) October-November
Balance sheet strengthened significantly

- Divestments strengthened financial position
  - 60% stake in SKS in China
  - 50% stake in Fischer Mexicana in Mexico

→ Net debt down to EUR 1.6 billion, gearing to 69%

**Net interest-bearing debt and gearing**

- 2013: Net debt EUR 1.88 bn, gearing 3.6%
- 2014: Net debt EUR 2.92 bn, gearing 2.0%
- 2015: Net debt EUR 1.60 bn, gearing 1.6%

February 11, 2016
Synergies, P250 and P400 completed according to targets

<table>
<thead>
<tr>
<th>Year</th>
<th>Realized (EUR million)</th>
<th>Total target (EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>20</td>
<td>100</td>
</tr>
<tr>
<td>2014</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>2015</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>2016</td>
<td>470</td>
<td>550</td>
</tr>
<tr>
<td>2017</td>
<td>574</td>
<td>400</td>
</tr>
</tbody>
</table>

New savings and working capital measures planned. The scale, details and time frame will be communicated in the next couple of months.
Contents

1. 2015 overview
2. Financial performance
3. Outlook and guidance
Q4 and FY15 key financials overview

Q4/15
- Stainless steel deliveries flat
- Sales declined 4%; lower volumes and prices
- Underlying EBIT improved as a result of improved cost management
- EUR -29 million net effect of raw material-related inventory and metal derivative gains/losses (Q3: EUR -8 million)
- Operating cash flow EUR 2 million

2015
- Deliveries down by weak demand among distributors
- 6.7% decline in sales due to lower deliveries and prices
- Underlying EBIT weaker due to lower deliveries, downward pressure on base prices and increase in scrap costs
- Operating cash flow EUR -34 million

Group key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>IV/15</th>
<th>III/15</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>574</td>
<td>570</td>
<td>2,381</td>
<td>2,554</td>
</tr>
<tr>
<td>Sales</td>
<td>1,435</td>
<td>1,487</td>
<td>6,384</td>
<td>6,844</td>
</tr>
<tr>
<td>EBITDA</td>
<td>408</td>
<td>3</td>
<td>531</td>
<td>104</td>
</tr>
<tr>
<td>EBIT</td>
<td>341</td>
<td>-77</td>
<td>228</td>
<td>-243</td>
</tr>
<tr>
<td>Underlying EBIT 1)</td>
<td>-11</td>
<td>-67</td>
<td>-101</td>
<td>-88</td>
</tr>
<tr>
<td>Net result</td>
<td>308</td>
<td>-115</td>
<td>86</td>
<td>-439</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>2</td>
<td>67</td>
<td>-34</td>
<td>-126</td>
</tr>
<tr>
<td>Capex (accounting)</td>
<td>65</td>
<td>29</td>
<td>154</td>
<td>127</td>
</tr>
<tr>
<td>Personnel at end of period</td>
<td>11,002</td>
<td>11,560</td>
<td>11,002</td>
<td>12,125</td>
</tr>
</tbody>
</table>

Non-recurring items in EBIT (EUR million)

- Other NRI's
- SKS divestment
- Coil Americas NRI's
- Impairments

1) EBIT excl. non-recurring items, raw material-related inventory gains/losses and metal derivative gains/losses, unaudited
Good progress in cost saving programs

Cumulative savings 2013-2017 and related cash costs, MEUR

- Synergy savings and P250 completed according to targets
- EUR 16 million savings in Q4
- Total savings of EUR 470 million vs. 2012
- EUR 217 million provisions booked (est. EUR 220 million)
- Cash outflow of EUR 6 million in Q4, and EUR 94 million in 2015
P400 program completed: NWC focus to continue

Cumulated cash flow from working capital change ¹)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>351</td>
<td>351</td>
<td>574</td>
<td>400</td>
</tr>
</tbody>
</table>

Inventory days development ²)

<table>
<thead>
<tr>
<th>Period</th>
<th>2013 avg</th>
<th>2014 avg</th>
<th>Q3/15</th>
<th>Q4/15</th>
<th>2015 avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>100</td>
<td>102</td>
<td>106</td>
<td>96</td>
<td>105</td>
</tr>
</tbody>
</table>

¹) Change in accounts payables, accounts receivables and inventories differs from the change in WC as presented in CF statement which also includes provisions.

²) Figures exclude FeCr operations

Since 2015, Outokumpu reports inventory days by comparing the current inventories with deliveries planned in following three months. History adjusted accordingly.
Coil EMEA industrial setup developing well

- Challenging markets in 2015
  - Nickel price at 12-year lows
  - End demand stable, continued destocking
  - Fluctuating imports to Europe
- Deliveries declined by 5.3% vs 2014
- Base prices down about EUR 20/t in 2015
- Full-year ferrochrome production at 457 kt
- FY15 underlying EBIT improved to EUR 107 million (2014: EUR 62 million)
  - Restructuring and improved optimization between the mills
  - Higher utilization in Tornio and Avesta
- Q4 showed strong seasonal recovery: volumes stable, improved profitability

Coil EMEA stainless deliveries, kt

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q4/14</th>
<th>Q1/15</th>
<th>Q2/15</th>
<th>Q3/15</th>
<th>Q4/15</th>
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<tbody>
<tr>
<td>369</td>
<td>411</td>
<td>415</td>
<td>374</td>
<td>377</td>
<td></td>
</tr>
</tbody>
</table>

Coil EMEA underlying EBIT, EUR million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q4/14</th>
<th>Q1/15</th>
<th>Q2/15</th>
<th>Q3/15</th>
<th>Q4/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>28</td>
<td>42</td>
<td>2</td>
<td>34</td>
<td></td>
</tr>
</tbody>
</table>
Coil Americas suffered from difficult markets

- Operating environment difficult in 2015
  - Imports peaked H1 close to 30%
  - Intense competition and strongly declining prices
- FY15 deliveries down 6% y-o-y impacted by weak order intake during H1
- Base price down USD ~260/t during 2015
  - Lower volumes
  - Intense price pressure
- Q4 still at heavy loss: volumes stable, but cost improvements offset by intense price pressure
APAC, Quarto Plate & Long Products

**APAC**
- Underlying EBIT
- Tough markets in 2015 with continued demand erosion
- Prices under severe pressure for past 1.5 years
- Deliveries impacted by divestment of SKS business in December
- Underlying EBIT down to -18m (2014: -6m) driven by external pressures on SKS business

**Quarto Plate**
- Underlying EBIT
- Operating environment extremely difficult in 2015
- Prices under pressure both in Europe and the US
- Deliveries grew 7% reflecting progress in Degerfors
- Underlying losses reduced to -23m (2014: -30m) driven by higher deliveries and cost take-out measures

**Long Products**
- Underlying EBIT
- Demand weak throughout 2015
- Deliveries down 13%
- Clearly lower underlying EBIT of 7m. (2014: 32m) reflecting difficult market environment, subdued Oil & Gas sector and low prices
### Strong focus on managing the cash flows

<table>
<thead>
<tr>
<th>EUR million</th>
<th>IV/15</th>
<th>III/15</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operating activities</td>
<td>2</td>
<td>67</td>
<td>-34</td>
<td>-126</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>319</td>
<td>-15</td>
<td>239</td>
<td>-162</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>321</td>
<td>52</td>
<td>205</td>
<td>-289</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>186</td>
<td>225</td>
<td>186</td>
<td>191</td>
</tr>
</tbody>
</table>

- EUR 2 million positive operating cash flow in Q4
- Proceeds from the disposal of subsidiaries, net of cash and tax at EUR 375 million as a result of SKS divestment
- Capex cash flow kept under control
- Financing costs of EUR 150 million in 2015
- Overall liquidity reserves at EUR 1.1 billion
Financial stability improved

- Successful refinancing in December
- Revolving credit facility extended
  - New EUR 655 million tranche maturing in Feb 2019
  - Remaining EUR 145 million maturing in Feb 2017
- Prepayment and extension of bilateral loans
Contents

1. 2015 overview
2. Financial performance
3. Outlook and guidance
Real demand in Q1/16 expected to decline in EMEA and Americas from Q4/15

EMEA total stainless steel real demand<sup>1</sup>

1,000 tonnes

Q1 2015 | Q2 | Q3 | Q4 | Q1 2016
---|---|---|---|---
1,550 | 1,800 | 1,700 | 1,900 | 1,750

America total stainless steel real demand<sup>1</sup>

1,000 tonnes

Q1 2015 | Q2 | Q3 | Q4 | Q1 2016
---|---|---|---|---
1,500 | 1,850 | 1,600 | 1,800 | 1,700

1) Total stainless = rolled & forged products, excl. 13Cr tubes, profiles

February 11, 2016
Business and financial outlook for Q1 2016

Market commentary

Year 2016 has started with downward revisions to economic growth outlooks and pressure in the materials sector.

Outokumpu estimates no meaningful pick up in the stainless steel markets for the first quarter, and while distributor stocks have come to more normalized levels, the low nickel price continues to curtail distributor buying activity.

On the positive note, demand among end-customers outside of Oil & Gas has remained healthy.

In both Coil EMEA and Coil Americas, order intake levels are on track for the ongoing quarter and the lead-times from the mills are competitive.

Outokumpu estimate for Q1

Market uncertainties warrant prudence in the outlook statement.

Outokumpu estimates first-quarter delivery volumes to remain at a similar level as in the fourth quarter of 2015 and the Group’s underlying EBIT to be still negative.

With current prices, the net impact of raw material-related inventory and metal derivative gains/losses on profitability is expected to be approximately EUR 30 million negative.

Outokumpu is finalizing plans for new savings from operational improvements and working capital optimization. The scale, details and time frame for these will be communicated in the next couple of months. Outokumpu expects that already in the first quarter continued cost streamlining will mitigate some of the current downward pressure on base prices as well as increase in scrap costs.
CEO’s first 40 days at the office
Bringing Outokumpu to the next level

Immediate actions
• Moving ahead with Coil Americas turnaround
• Finalizing European restructuring
• SGA and general procurement cost reduction
• Decreasing inventory levels
• Further debt reduction

Building long-term competitiveness
• Manufacturing excellence for efficiency and lower production costs
• Bringing the operational capability and productivity to a world class level
• Differentiation through superior customer experience: improved quality and delivery reliability

Further details communicated in the coming months
For more information, call Outokumpu Investor Relations or visit www.outokumpu.com/investors

Johanna Henttonen
Senior Vice President – Investor Relations
Phone +358 9 421 3804
Mobile +358 40 5300 778
E-mail: johanna.henttonen@outokumpu.com

Tommi Järvenpää
Manager – Investor Relations
Phone +358 9 421 3466
Mobile +358 40 576 0288
E-mail: tommi.jarvenpaa@outokumpu.com

Päivi Laajaranta
Executive Assistant
Phone +358 9 421 4070
Mobile +358 400 607 424
E-mail: paivi.laajaranta@outokumpu.com

Next IR events
Annual General Meeting
April 6, 2016
Q1 Interim Report
April 27, 2016
Appendix
# Coil EMEA

## EMEA key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>IV/15</th>
<th>III/15</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>377</td>
<td>374</td>
<td>1,577</td>
<td>1,666</td>
</tr>
<tr>
<td>Ferrochrome external deliveries, kt</td>
<td>29</td>
<td></td>
<td>133</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>944</td>
<td>973</td>
<td>4,134</td>
<td>4,520</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>30</td>
<td>-3</td>
<td>131</td>
<td>78</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>34</td>
<td>2</td>
<td>107</td>
<td>62</td>
</tr>
<tr>
<td>Operating capital</td>
<td>2,183</td>
<td>2,333</td>
<td>2,183</td>
<td>2,405</td>
</tr>
</tbody>
</table>

## Underlying EBIT (EUR million)

- Q4 highlights
  - Difficult market conditions continued in Q4
  - Stable stainless steel deliveries
  - EUR 15/t base price decrease in deliveries
  - Stronger performance as a result of
    - Successful cost control
    - Lower depreciation charge
  - EUR 10 million additional savings from EMEA restructuring program

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*February 11, 2016*
Coil Americas

Americas key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>IV/15</th>
<th>III/15</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>138</td>
<td>134</td>
<td>509</td>
<td>541</td>
</tr>
<tr>
<td>Sales</td>
<td>272</td>
<td>276</td>
<td>1,111</td>
<td>1,158</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>-54</td>
<td>-49</td>
<td>-198</td>
<td>-82</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>-41</td>
<td>-44</td>
<td>-163</td>
<td>-93</td>
</tr>
<tr>
<td>Operating capital</td>
<td>1,229</td>
<td>1,193</td>
<td>1,229</td>
<td>1,195</td>
</tr>
</tbody>
</table>

Underlying EBIT (EUR million)

-93

Q4 highlights

- Delivery volumes grown during the past two quarters, Q4 similar to Q3
- Base price further down by USD 50/t in deliveries
- Performance still at heavy loss
  - Cost improvements not enough to offset price pressure
  - NRI of EUR 2 million from insurance compensation related to earlier technical issues
APAC

APAC key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>IV/15</th>
<th>III/15</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>33</td>
<td>51</td>
<td>197</td>
<td>220</td>
</tr>
<tr>
<td>Sales</td>
<td>65</td>
<td>97</td>
<td>403</td>
<td>444</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>-4</td>
<td>-8</td>
<td>-20</td>
<td>-6</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>-3</td>
<td>-9</td>
<td>-18</td>
<td>-6</td>
</tr>
<tr>
<td>Operating capital</td>
<td>38</td>
<td>174</td>
<td>38</td>
<td>184</td>
</tr>
</tbody>
</table>

Underlying EBIT (EUR million)

<table>
<thead>
<tr>
<th></th>
<th>Q1/14</th>
<th>Q2/14</th>
<th>Q3/14</th>
<th>Q4/14</th>
<th>Q1/15</th>
<th>Q2/15</th>
<th>Q3/15</th>
<th>Q4/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>-5</td>
<td>-2</td>
<td>0</td>
<td>-2</td>
<td>-4</td>
<td>-9</td>
<td>-3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q4 highlights

- Following the divestment of SKS, APAC business area consists of service centers in China and Australia, as well as warehouses and sales offices in various Asian countries
- Overall market situation tough
- Deliveries impacted by deconsolidation of SKS
Quarto Plate

Quarto Plate key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>IV/15</th>
<th>III/15</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>24</td>
<td>24</td>
<td>105</td>
<td>98</td>
</tr>
<tr>
<td>Sales</td>
<td>99</td>
<td>104</td>
<td>459</td>
<td>450</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>-4</td>
<td>-14</td>
<td>-19</td>
<td>-26</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>-3</td>
<td>-16</td>
<td>-23</td>
<td>-30</td>
</tr>
<tr>
<td>Operating capital</td>
<td>209</td>
<td>204</td>
<td>209</td>
<td>218</td>
</tr>
</tbody>
</table>

Underlying EBIT (EUR million)

Q4 highlights

- Operating environment remained extremely difficult as industrial investment activity continued subdued
- Deliveries were flat
- Prices continued under pressure in Europe and the US
- Underlying EBIT improved
  - Lower raw material costs
  - Better product mix
### Long Products

#### Long Products key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>IV/15</th>
<th>III/15</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>42</td>
<td>58</td>
<td>213</td>
<td>248</td>
</tr>
<tr>
<td>Sales</td>
<td>100</td>
<td>142</td>
<td>551</td>
<td>651</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>-8</td>
<td>1</td>
<td>2</td>
<td>33</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>-3</td>
<td>3</td>
<td>7</td>
<td>32</td>
</tr>
<tr>
<td>Operating capital</td>
<td>146</td>
<td>163</td>
<td>146</td>
<td>167</td>
</tr>
</tbody>
</table>

#### Underlying EBIT (EUR million)

- Q4 highlights
  - Overall demand for long products continued to be weak and prices were under pressure
  - Clearly lower total deliveries as a result of significantly lower internal slab deliveries
  - Deliveries to end-customers increased by 5.0%
  - Underlying EBIT decreased due to lower deliveries
## Outokumpu balance sheet

<table>
<thead>
<tr>
<th>Assets (MEUR)</th>
<th>31.12.15</th>
<th>30.9.15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>498</td>
<td>567</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>3,005</td>
<td>3,061</td>
</tr>
<tr>
<td>Investments in associated companies and joint ventures</td>
<td>63</td>
<td>82</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>41</td>
<td>38</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>16</td>
<td>61</td>
</tr>
<tr>
<td>Defined benefit plan assets</td>
<td>35</td>
<td>38</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>40</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>3,698</strong></td>
<td><strong>3,864</strong></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>1,251</td>
<td>1,413</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>53</td>
<td>32</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>686</td>
<td>676</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>186</td>
<td>225</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>2,177</strong></td>
<td><strong>2,346</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>5,874</strong></td>
<td><strong>6,210</strong></td>
</tr>
</tbody>
</table>
## Outokumpu balance sheet

<table>
<thead>
<tr>
<th>Equity and liabilities (MEUR)</th>
<th>31.12.15</th>
<th>30.9.15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total equity</strong></td>
<td>2,329</td>
<td>2,085</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current debt</td>
<td>1,249</td>
<td>1,494</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>16</td>
<td>38</td>
</tr>
<tr>
<td>Defined benefit and other long-term employee benefit obligations</td>
<td>369</td>
<td>335</td>
</tr>
<tr>
<td>Provisions</td>
<td>113</td>
<td>110</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>1,805</td>
<td>2,035</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current debt</td>
<td>547</td>
<td>743</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>50</td>
<td>51</td>
</tr>
<tr>
<td>Provisions</td>
<td>23</td>
<td>26</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>1,121</td>
<td>1,270</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>1,741</td>
<td>2,090</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>5,874</td>
<td>6,210</td>
</tr>
</tbody>
</table>
Cost analysis 2015

Operative cost components 1)

- Raw materials
- Personnel
- Energy and consumables
- Other cost of sales
- SG&A (excl. personnel and D&A)
- D&A total

Comments

- Raw materials account for around 60% of the total operative costs of the Group
- Energy and other consumables account for 10-15% of the total operative costs
- Personnel expenses 10-15% of the total operative costs
- Other cost of sales includes e.g. freight, maintenance and rents and leases

1) Operative costs = Sales – EBIT (excl. non-recurring items), management estimates
Outokumpu has reduced some 2,330 jobs since the merger (target of 3,500 between 2013-2017)
### Capacities and production flow

#### Today:
- Avesta melt shop main supplier to QP production in SWE and US
- Avesta will increase supply to Coil EMEA units after Bochum melt shop closure in 2015
- Avesta hot rolling manned by 50%

#### Today:
- Sheffield melt shop operating at below full capacity
- Supplying not only to LP production but also to QP as a "swing plant" to support Avesta
- Supply to QP to increase after Bochum closure in 2015 → increasing utilization in Sheffield
- Wildwood: Pipe production

---

<table>
<thead>
<tr>
<th>Finished Goods (Cold rolled + HBW)</th>
<th>Coil EMEA</th>
<th>Quarto Plate (QP)</th>
<th>Long Products (LP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>[kt p.a.]</td>
<td>[kt p.a.]</td>
<td>[kt p.a.]</td>
<td></td>
</tr>
<tr>
<td>TORNIO (FIN) 1,450</td>
<td>AVESTA (SWE) 450</td>
<td>DEGERFORS (SWE) 150</td>
<td>SHEFFIELD (UK) 450</td>
</tr>
<tr>
<td>TORNIO (FIN) 1,450</td>
<td>AVESTA (SWE) 900</td>
<td>NEWCASTLE (US) 60</td>
<td>Slabs, Blooms, Billets, Ingots</td>
</tr>
<tr>
<td>KREFELD/ DILLENBURG (GER) 500</td>
<td>AVESTA (SWE) 50+120</td>
<td>RICHBURG (US) 40</td>
<td></td>
</tr>
<tr>
<td>NYBY (SWE) 80</td>
<td></td>
<td>DEGERFORS (SWE) 40</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>WILDWOOD (US) 20</td>
<td></td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Wire rod</th>
<th>Bars, Heavy Bars</th>
<th>Billets, Heavy Bar</th>
<th>Pipes</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHEFFIELD (UK) 450</td>
<td>RICHBURG (US) 40</td>
<td>DEGERFORS (SWE) 40</td>
<td>WILDWOOD (US) 20</td>
</tr>
</tbody>
</table>

---

Realistic capacity if fully manned (what is possible under fully manned scenario with usual product mix)
Capacities and production flow

Today:
- Calvert integrated stainless steel mill still in the ramp-up phase, commercial ramp-up to full capacity until 2016
- Hot rolling in Calvert is conducted by Arcelor Mittal and Nippon Steel & Sumitomo Metal Corporation under a hot rolling toll processing agreement
- Mexinox: CR mill running at full capacity

TOTAL Group capacity
- 3.3m tonnes
- 3.2m tonnes
- 0.3m tonnes
- 2.4m tonnes

Realistic capacity if fully manned (what is possible under fully manned scenario with usual product mix)
Balanced customer base across industries

Sales by customer segment 1)

- Distributors: 44%
- End-customers: 56%

Sales by end-customer segment 1)

- Consumer goods & Medical: 15%
- Automotive: 20%
- Architecture, Building & Construction: 17%
- Chemical, Petrochemical and Energy: 17%
- Metal processing & Tubes: 17%
- Heavy industries: 22%
- Other: 4%

1) Management estimates FY2015

February 11, 2016
Broadest product portfolio across stainless steel

- Outokumpu has a broad product portfolio to serve all customers
- Significantly higher share of ferritic grades leads into reduced sensitivity to nickel price volatility
- Outokumpu product mix closely resembles the overall market mix by grade

Deliveries by product grade

- Other: 3%
- Duplex: 7%
- Ferritic (CrNi): 55%
- Austenitic (CrNiMo): 22%

All product forms offered

1) Management estimates FY2015
2) Standalone Outokumpu had only a 5% share of ferritics vs. ~20% for the combined entity.
Balanced customer base and comprehensive service center network in Europe

Total stainless market size in 2015

- **Total Europe:** 5,865

End users & processors

- **57%**

Distributors

- **43%**

Coil EMEA sales by customer segment

- **End users and processors direct sales:** 36% (16%)
- **End users and processors through internal service center:** 40% (8%)
- **Distributors through internal service centers:** 16% (40%)
- **Distributors direct sales:** 8% (16%)

1) Coil EMEA sales Q3/2015.
2) Source: SMR Real Demand December 2015. Total stainless = rolled & forged, excl. 13Cr tubes, profiles
Nickel price development

- The nickel prices were trending lower during the year as slowing demand from stainless steel sector predominantly was weighing on prices.
- Also rapidly strengthening US dollar in the first half of the year, growing stocks and mounting concerns over Chinese economy and its metals demand were eroding the prices, which hit the 12-year lows of 8,160 USD/t in late November.
- The average price of the year of 11,808 USD/tonne, was 30.0% lower than 16,864 USD/tonne in 2014.
Raw materials - price development

**Nickel**
- Price development graph from January 2015 to December 2016.
- Noted price on 15 January 2016: 8,380 USD/ton.

**Ferrochrome**
- European contract price and European spot price graph from January 2015 to December 2016.
- Noted price on 15 January 2016: 0.73 USD/lb.

**Molybdenum**
- Price development graph from January 2015 to December 2016.
- Noted price on 15 January 2016: 5.5 USD/lb.

**Carbon steel scrap**
- Price development graph from January 2015 to December 2016.

*Data source:*
1. Nickel Cash LME Daily Official
2. Contract - Metal Bulletin - Ferro-chrome Lumpy CR charge basis 52% & Cr quarterly major European destinations Cr; Spot: Platts Charge Chrome 52% DDP Europe
3. Metal Bulletin - Molybdenum Drummed molybodic oxide Free market Mo in warehouse; 4 Ferrous Scrap Index HMS 1&2 (80:20 mix) $ per tonne fob Rotterdam

February 11, 2016