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Today’s attendees of Outokumpu

- Mika Seitovirta
  CEO

- Reinhard Florey
  CFO

- Johanna Henttonen
  SVP – Investor Relations
Contents

1. Q2/15 overview and strategic priorities
2. Financial performance
3. Outlook and guidance
Q2 2015 in brief

- Coil EMEA profitability continued to improve
- Import pressure in Europe eases
- Small base price increases in Europe
- Bochum melt shop closed at the end of June
- Continued solid development in savings programs
- New head for Coil Americas started

- Market headwinds and economic uncertainty: low nickel price, pressure on scrap prices
- Underlying EBIT of EUR -25 million, driven by weak profitability of Coil Americas
- US market continues difficult with high imports and sharp decline in prices
- Net debt rose to EUR 2.1 bn

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1) EBIT excluding non-recurring items, raw material-related inventory gains/losses and metal derivative gains/losses
2) Source: CRU April 2015, price for 2mm sheet cold rolled 304 grade
Coil EMEA continues on track

- Overall healthy demand, import pressure eases but low nickel impacting
- Profitability improvement driven by restructuring and saving benefits, as well as improved mix
- EMEA restructuring on track: Bochum closed in June, Benrath closure and Krefeld investment progressing

Seasonal slowdown during the summer
- Moderate impact from antidumping duties on profitability
- Significant pressure on scrap prices short term
- Improvement efforts increasingly from commercial efficiency to increase sales
Getting Coil Americas back on track

Coil Americas underlying EBIT, EUR million

-40  -25  -33  6  -28  -50
Q1/14  Q2/14  Q3/14  Q4/14  Q1/15  Q2/15

Coil Americas stainless deliveries, kt

135  143  137  126  126  111
Q1/14  Q2/14  Q3/14  Q4/14  Q1/15  Q2/15

- High import pressure, elevated inventories and declining prices
- Poor volume development and profitability
- Weak H1 impacting FY2015
- Commercial ramp-up delayed by 1 year

- New business area head appointed
- Commercial strategy sharpened
- Sales team strengthened
- Calvert running well but suffering from low volumes, large potential to improve operational efficiency
- Accelerating cost streamlining actions
Continued growth for stainless steel globally

Data source: SMR, June 2015
Real demand for total stainless steel (rolled & forged products, excl. 13Cr tubes, profiles)
Stainless steel base prices slightly up in Europe but sharply down in the US

**European base prices (EUR)** 1)

- January 2011: €1,000
- January 2012: €1,000
- January 2013: €1,100
- January 2014: €1,300
- January 2015: €1,200

**US base prices (USD)** 1)

- January 2011: $1,200
- January 2012: $1,300
- January 2013: $1,400
- January 2014: $1,500
- January 2015: $1,200

1) 2mm sheet cold rolled 304 grade

Source: CRU July 2015

July 23, 2015
Nickel price development and stock levels

1) Source: nickel cash LME daily official
Imports into Europe eased further in Q2. Import pressure in the US remains strong.

**Third-country imports into Europe**
- Total market size 3.7 million tonnes in 2014*

**Imports from Asia** decreasing since beginning of 2015
- Ø 70 kt

**Third-country imports into the US**
- Total market size 1.6 million tonnes in 2014*

**High import levels remain. Imports from Asia growing**
- Ø 31 kt

*SMR CR apparent consumption February 2015

Import pressure in the US remains strong.
Contents

1. Q2/15 overview and strategic priorities
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Q2 key financials overview

- Stainless steel deliveries at similar level with Q1
  - Stable in EMEA, Coil Americas down 11.9%
- Underlying EBIT declined driven by weak performance in Coil Americas
- No NRI's in Q2
- EUR -1 million net effect of raw material-related inventory and metal derivative gains/losses (Q1: 7 MEUR)
- Operating cash flow EUR –41 million

### Group key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>II/15</th>
<th>I/15</th>
<th>II/14</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>616</td>
<td>620</td>
<td>675</td>
<td>2,554</td>
</tr>
<tr>
<td>Sales</td>
<td>1,694</td>
<td>1,768</td>
<td>1,753</td>
<td>6,844</td>
</tr>
<tr>
<td>EBIT</td>
<td>-26</td>
<td>-10</td>
<td>-10</td>
<td>-243</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>-26</td>
<td>8</td>
<td>-3</td>
<td>-57</td>
</tr>
<tr>
<td>Underlying EBIT 1)</td>
<td>-25</td>
<td>2</td>
<td>-6</td>
<td>-88</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>-41</td>
<td>-62</td>
<td>-257</td>
<td>-126</td>
</tr>
<tr>
<td>Capex (accounting)</td>
<td>35</td>
<td>26</td>
<td>33</td>
<td>127</td>
</tr>
<tr>
<td>Personnel at end of period</td>
<td>11,665</td>
<td>11,824</td>
<td>12,365</td>
<td>12,125</td>
</tr>
</tbody>
</table>

1) EBIT excl. non-recurring items, raw material-related inventory gains/losses and metal derivative gains/losses, unaudited

### Non-recurring items (EUR million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>-78</td>
</tr>
<tr>
<td>2014</td>
<td>-138</td>
</tr>
<tr>
<td>I/15</td>
<td>-27</td>
</tr>
<tr>
<td>II/15</td>
<td>-19</td>
</tr>
</tbody>
</table>

-78 -21 -138 -186 -121
Good progress in cost saving programs

- EUR 13 million savings in Q2
- Total savings EUR 433 million vs. 2012
- Additional savings of ~EUR 37 million expected in H2, including EUR 20 million from the Bochum closure
- Total cash cost estimate for all three programs unchanged at ~EUR 220 million
- Cash outflow of EUR 27 million in Q2
## Coil EMEA

### EMEA key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>II/15</th>
<th>I/15</th>
<th>II/14</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>415</td>
<td>411</td>
<td>438</td>
<td>1,666</td>
</tr>
<tr>
<td>Ferrochrome external deliveries, kt</td>
<td>23</td>
<td>22</td>
<td>25</td>
<td>133</td>
</tr>
<tr>
<td>Sales</td>
<td>1,090</td>
<td>1,127</td>
<td>1,161</td>
<td>4,520</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>56</td>
<td>48</td>
<td>14</td>
<td>78</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>42</td>
<td>28</td>
<td>15</td>
<td>62</td>
</tr>
<tr>
<td>Operating capital</td>
<td>2,362</td>
<td>2,364</td>
<td>2,575</td>
<td>2,405</td>
</tr>
</tbody>
</table>

### Underlying EBIT (EUR million)

- Demand overall healthy, import pressure from China and Taiwan eases
- Base price up EUR 10/t, low nickel price
- Improved profitability
  - Progress in savings programs
  - Healthy utilization at Tornio and Avesta melt shops
- Production disturbances in hot rolling in Tornio affecting delivery performance
- Ferrochrome maintenance break completed, production 90 kt in Q2. FY15 production estimate 460 kt
- Q3 seasonally slow in Europe with lower volumes. Pressure on scrap prices
Coil Americas

Americas key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>II/15</th>
<th>I/15</th>
<th>II/14</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>111</td>
<td>126</td>
<td>143</td>
<td>541</td>
</tr>
<tr>
<td>Sales</td>
<td>255</td>
<td>308</td>
<td>291</td>
<td>1,158</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>-65</td>
<td>-30</td>
<td>-17</td>
<td>-82</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>-50</td>
<td>-28</td>
<td>-25</td>
<td>-93</td>
</tr>
<tr>
<td>Operating capital</td>
<td>1,289</td>
<td>1,341</td>
<td>1,111</td>
<td>1,195</td>
</tr>
</tbody>
</table>

Underlying EBIT (EUR million)

- Operating environment continued difficult
  - Weak demand from the distributor sector
  - US imports >32% in April-May
  - Base prices down by 80 USD/tonne in Q2 driven by sharp decline in alloy surcharge

- Very low deliveries of 111 kt

- Weak profitability
  - Low volumes
  - Declining prices
  - Increased operating costs due to low utilization rates

- Net effect of raw material-related inventory and metal derivative gains/losses negative EUR 15 million in Q2 due to lower nickel price

- H2 deliveries targeted to increase, FY2015 deliveries to remain below 540 kt

- Special measures to improve profitability ongoing
APAC

APAC key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>II/15</th>
<th>I/15</th>
<th>II/14</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>61</td>
<td>52</td>
<td>58</td>
<td>220</td>
</tr>
<tr>
<td>Sales</td>
<td>129</td>
<td>112</td>
<td>118</td>
<td>444</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>-5</td>
<td>-2</td>
<td>1</td>
<td>-6</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>-4</td>
<td>-2</td>
<td>1</td>
<td>-6</td>
</tr>
<tr>
<td>Operating capital</td>
<td>183</td>
<td>202</td>
<td>183</td>
<td>184</td>
</tr>
</tbody>
</table>

Underlying EBIT (EUR million)

- Market continued weak in APAC region in line with slowing GDP growth in China
- Stainless steel prices further down in China; low nickel price, capacity additions to the market
- Deliveries picked up from the seasonally slow Q1
- Higher volumes were not enough to compensate for lower prices
- Underlying EBIT declined
### Quarto Plate

#### Quarto Plate key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>II/15</th>
<th>I/15</th>
<th>II/14</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>31</td>
<td>26</td>
<td>25</td>
<td>98</td>
</tr>
<tr>
<td>Sales</td>
<td>133</td>
<td>122</td>
<td>114</td>
<td>450</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>-2</td>
<td>0</td>
<td>-9</td>
<td>-26</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>-4</td>
<td>-0</td>
<td>-8</td>
<td>-30</td>
</tr>
<tr>
<td>Operating capital</td>
<td>228</td>
<td>224</td>
<td>253</td>
<td>218</td>
</tr>
</tbody>
</table>

#### Underlying EBIT (EUR million)

- **-30**

<table>
<thead>
<tr>
<th>I/14</th>
<th>II/14</th>
<th>III/14</th>
<th>IV/14</th>
<th>I/15</th>
<th>II/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>-4</td>
<td>-8</td>
<td>-11</td>
<td>-6</td>
<td>0</td>
<td>-4</td>
</tr>
</tbody>
</table>

- Weak operating environment due to depressed investment climate and low nickel price
- Intense price pressure in Europe and the US
- Deliveries up 19% driven by Degerfors ramp-up
- Underlying EBIT at EUR -4 million
  - Low margin product mix
  - Price pressure and somewhat higher raw material costs
  - Transportation and hire work costs
Long Products

Long Products key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>II/15</th>
<th>I/15</th>
<th>II/14</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>62</td>
<td>52</td>
<td>80</td>
<td>248</td>
</tr>
<tr>
<td>Sales</td>
<td>159</td>
<td>149</td>
<td>203</td>
<td>651</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>5</td>
<td>4</td>
<td>14</td>
<td>33</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>4</td>
<td>3</td>
<td>11</td>
<td>32</td>
</tr>
<tr>
<td>Operating capital</td>
<td>163</td>
<td>174</td>
<td>153</td>
<td>167</td>
</tr>
</tbody>
</table>

Underlying EBIT (EUR million)

- Weak demand driven by low nickel price and slow project activity
- Sluggishness of the European market impacted by weakness of the euro and subdued demand from the oil & gas sector
- Prices remained under pressure in Europe and also the US prices started to feel pressure
- Positive impact of higher volumes on profitability was limited as most of the additional volumes were internal slab deliveries with relatively low margins
Operating cash flow

<table>
<thead>
<tr>
<th>EUR million</th>
<th>II/15</th>
<th>I/15</th>
<th>II/14</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operating activities</td>
<td>-41</td>
<td>-62</td>
<td>-257</td>
<td>-126</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>-34</td>
<td>-31</td>
<td>-69</td>
<td>-162</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>-75</td>
<td>-93</td>
<td>-327</td>
<td>-289</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>207</td>
<td>298</td>
<td>161</td>
<td>191</td>
</tr>
</tbody>
</table>

- Negative EUR 41 million operating cash flow
- Cash outflow mainly related to provisions and pension obligations
- Capex at moderate level
- Quarterly financing costs in line with full-year guidance
- Overall liquidity reserves at EUR 1.2 billion

Cash flows are presented for continuing operations.
Targeting net debt of below EUR 1.5 billion by the end of 2017

Net debt and gearing, EUR million and %

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Debt</th>
<th>Gearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3,556</td>
<td>57%</td>
</tr>
<tr>
<td>2014</td>
<td>1,974</td>
<td>93%</td>
</tr>
<tr>
<td>Q1/15</td>
<td>2,034</td>
<td>91%</td>
</tr>
<tr>
<td>Q2/15</td>
<td>2,116</td>
<td>96%</td>
</tr>
<tr>
<td>End-2017</td>
<td>1,500</td>
<td>0%</td>
</tr>
</tbody>
</table>

Debt maturity profile, EUR million

- Short-term debt
- Long-term debt
- Unutilized facilities
Targeting cumulative EUR 400 million release in 2015 from net working capital

Cash flow from working capital change ¹)

Inventory days development ²)

P400 program for further NWC release in 2015

Forward-looking inventory day definition displayed ⁴)

1) Change in accounts payables, accounts receivables and inventories shown here differs from the change in WC as presented in CF statement which also includes provisions.
2) Figures exclude FeCr operations
3) 86 days target is an estimate based on similar sales configuration as 2014.
4) Since 2015 Outokumpu reports inventory days by comparing the current inventories with deliveries planned in following three months. History adjusted accordingly.
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Less pronounced Q3 decline in demand in EMEA expected, Americas stable

EMEA total stainless steel real demand

Q1 Q2 Q3 Q4
1,500 1,550 1,600 1,650 1,700 1,750 1,800 1,850 1,900 1,950 2,000

1,000 tonnes

1) Total stainless = rolled & forged products, excl. 13Cr tubes, profiles
Outokumpu's operating result may be impacted by non-recurring items associated with the ongoing restructuring programs. This outlook reflects the current scope of operations.

Business and financial outlook for Q3 2015

Outokumpu estimates

Somewhat lower delivery volumes q-on-q with seasonal decline in Europe and gradual increase in Americas

Underlying EBIT for Q3 to improve from Q2, but to remain negative mostly due to seasonal impacts.

In addition to the ongoing savings programs, special measures are taken to improve profitability in Coil Americas

With current prices, net impact of raw material-related inventory and metal derivative gains/losses on profitability is expected to be EUR 10-15 million negative

Stainless steel end-user demand expected to remain relatively healthy in Q3

European markets seasonally slow during the summer months

In Americas, pressure from Asian imports continues and low nickel price puts constraints on distributor buying, pricing and rebound of the market

In APAC region, stainless steel market remains difficult
Clear priorities for second half of 2015

1. Turning Coil Americas back on track
2. Further progress in Coil EMEA
3. Continued progress in savings programs
4. Additional commercial and operational improvements in all business areas
5. NWC management and cash flows
6. Debt reduction and keeping financing costs intact
Q&A
For more information, call Outokumpu Investor Relations or visit www.outokumpu.com/investors

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Executive Assistant
Phone +358 9 421 4070
Mobile +358 400 607 424
E-mail: paivi.laajaranta@outokumpu.com
Appendix
### Outokumpu balance sheet

<table>
<thead>
<tr>
<th>Assets (MEUR)</th>
<th>30.6.15</th>
<th>31.3.15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>572</td>
<td>576</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>3,138</td>
<td>3,237</td>
</tr>
<tr>
<td>Investments in associated companies and joint ventures</td>
<td>81</td>
<td>79</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>35</td>
<td>28</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>62</td>
<td>53</td>
</tr>
<tr>
<td>Defined benefit plan assets</td>
<td>40</td>
<td>39</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>3,945</td>
<td>4,026</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>1,552</td>
<td>1,628</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>64</td>
<td>84</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>798</td>
<td>853</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>207</td>
<td>298</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>2,621</td>
<td>2,863</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>6,566</td>
<td>6,889</td>
</tr>
</tbody>
</table>
Outokumpu balance sheet

<table>
<thead>
<tr>
<th>Equity and liabilities (MEUR)</th>
<th>30.6.15</th>
<th>31.3.15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity</td>
<td>2,195</td>
<td>2,223</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current debt</td>
<td>1,576</td>
<td>1,732</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>12</td>
<td>16</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>39</td>
<td>36</td>
</tr>
<tr>
<td>Defined benefit and other long-term employee benefit obligations</td>
<td>332</td>
<td>392</td>
</tr>
<tr>
<td>Provisions</td>
<td>113</td>
<td>140</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td>2,119</td>
<td>2,364</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current debt</td>
<td>747</td>
<td>600</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>64</td>
<td>117</td>
</tr>
<tr>
<td>Provisions</td>
<td>21</td>
<td>26</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>1,420</td>
<td>1,559</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>2,252</td>
<td>2,303</td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td>6,566</td>
<td>6,889</td>
</tr>
</tbody>
</table>
Cost analysis Q2 2015

Operative cost components ①

<table>
<thead>
<tr>
<th>Cost Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials</td>
<td>59%</td>
</tr>
<tr>
<td>Energy and consumables</td>
<td>10-15%</td>
</tr>
<tr>
<td>Personnel</td>
<td>10%</td>
</tr>
<tr>
<td>Other cost of sales</td>
<td></td>
</tr>
<tr>
<td>SG&amp;A (excl. personnel and D&amp;A)</td>
<td></td>
</tr>
<tr>
<td>D&amp;A total</td>
<td></td>
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</tbody>
</table>

Comments
- Raw materials account for around 59% of the total operative costs of the Group
- Energy and other consumables account for some 10-15% of the total operative costs
- Personnel expenses some 10% 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
Headcount reductions

Total headcount reduction 1)

- Overall target is to reduce global headcount by up to 3,500 between 2013–2017

Personnel per BA at the end of Q2/15

1) 2012: Total Group excl. OSTP, Terni remedy assets, VDM, certain service centers (Willich initial remedy headcount)
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:
- Degerfors is ramping-up capacity from 110 kt to 150 kt
- Degerfors mainly supplied by Avesta supported by Sheffield. Sheffield will take over major part after Bochum closure
- Newcastle is currently supplied mainly by Sheffield.

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

All capacity figures depending on product mix / Figures represent realistic capacity if fully manned (what is possible under fully manned scenario with usual product mix)
EMEA: Not including Dahlerbrück precision strip production of ~20kt
QP: As of yet there is no firm decision what the future split of supply from Avesta and Sheffield to Quarto Plate production will look like. But for technical reasons there will definitely be some volumes coming from both Avesta and Sheffield.
### Capacities and production flow (‘to be’ state)

#### Coil Americas
- **CALVERT (US)** 900 [kt p.a.]
- **CALVERT (US)** 870

#### APAC
- **SHANGHAI (CHINA)** 290
- **SL POTOSI (MEXICO)** 250

#### TOTAL Group capacity
- **3.3m tonnes**
- **3.2m tonnes**
- **0.3m tonnes**
- **2.7m tonnes**

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**NOTES**

**Today:**
- Cold rolling mill in Shanghai SKS (joint venture with Baosteel)
- SKS supplied with hot band from Chinese local suppliers

**Capacity 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

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

Healthy balance between end-customer segments across both investment and consumer driven industries

Sales by customer segment ¹)

- Distributors: 45% (48%)
- End users & processors: 55% (52%)

Sales by end-customer segment ¹)

- Consumer goods & Medical: 16% (18%)
- Automotive: 17% (18%)
- Architecture, Building & Construction: 4% (4%)
- Chemical, petrochemical and energy: 4% (5%)
- Heavy industries: 23% (23%)
- Metal processing & Tubes: 18% (19%)
- Other: 17% (14%)

¹) Management estimates Q2 2015, for continuing operations. Q1 2015 figures in parenthesis.
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 ¹)

- Ferritic (CrNiMo): 15% (20%)
- Austenitic (CrNi): 54% (57%)
- Duplex: 7% (4%)
- Other: 3% (2%)

All product forms offered:

1) Management estimates Q2 2015, for continuing operations. Q1 2015 figures in parenthesis
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

Coil EMEA sales by customer segment 1)

- End users and processors direct sales: 59%
- End users and processors through internal service center: 15%
- Distributors through internal service centers: 8%
- Distributors direct sales: 33%

Total stainless market size in 2015 2)

Total Europe: 6,091

1) Coil EMEA sales Q2/2015, for continuing operations.
2) Source: SMR Real Demand June 2015. Total stainless = rolled & forged, excl. 13Cr tubes, profiles
Despite slowing from ~8% p.a. in 2011-2015, APAC still to be fastest growing region

[Total stainless steel real demand in million tonnes]

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 (f)</th>
<th>2016 (f)</th>
<th>2017 (f)</th>
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<tr>
<td>APAC</td>
<td>29.9</td>
<td>32.7</td>
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<tr>
<td>EMEA</td>
<td>6.8</td>
<td>6.9</td>
<td>7.0</td>
<td>7.2</td>
<td>7.5</td>
<td>7.7</td>
<td>7.9</td>
</tr>
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</table>

Source: SMR June 2015
Total stainless = rolled & forged products, excl. 13Cr tubes, profiles
f=forecast
The Nickel price staged some recovery from mid-April on weakening US dollar and renewed investor interest but subsequently weakened on soft demand from stainless steel sector, high LME stocks and worries over Chinese economy. Closing price of the quarter was 11,680 USD/tonne, the lowest value of the quarter. The average price in the quarter was 13,015 USD/tonne, 9.3% lower than 14,348 USD/tonne in the first quarter of 2015.

Despite easing from the all-time highs LME stocks still at ~454kt, more than 20% of annual consumption and down 2% in last month, but up 10% this year.
Raw materials - price development

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