Interim report
Q3 2015

CFO and interim CEO Reinhard Florey

November 5, 2015
Disclaimer

This presentation contains, or may be deemed to contain, statements that are not historical facts but forward-looking statements. Such forward-looking statements are based on the current plans, estimates and expectations of Outokumpu’s management based on information available to it on the date of this presentation. By their nature, forward-looking statements involve risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. Future results of Outokumpu may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree. Factors that could cause such differences include, but are not limited to, the risks described in the "Risk factors" section of Outokumpu’s latest Annual Report and the risks detailed in Outokumpu’s most recent financial results announcement. Outokumpu undertakes no obligation to update this presentation after the date hereof.
Today’s attendees of Outokumpu

Reinhard Florey  
Interim CEO, CFO

Johanna Henttonen  
SVP – Investor Relations

November 5, 2015
Contents

1. Q3/15 overview and financial performance
2. Outlook and guidance
Q3 2015 in brief

- Difficult market: low nickel price, destocking, price pressure
- Underlying EBIT loss of EUR -67 million: a clear disappointment
- Coil EMEA fell behind the targets due to weak market and lower volumes
- Coil Americas made progress but in challenging market conditions the turnaround is slow
- In Quarto Plate the pace of profitability improvements not sufficient

- New CEO, Roeland Baan will start January 1, 2016

- Strong operating cash flow EUR 67 million
- Net debt down to EUR 2.0 billion, gearing 96.5% and liquidity EUR 1.3 billion.
- Decisive measures to ensure financial stability: sale of Fischer Mexicana JV for USD 63 million and divestment of 55% of SKS for EUR 370 million
- Cost savings and efficiency programs progressed as planned
- End-user demand healthy

1) Source: CRU October 2015, price for 2mm sheet cold rolled 304 grade
Demand growth in 2015 expected to slow to ~2%
Longer-term demand outlook remains favorable

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

European base prices (EUR) 1)

<table>
<thead>
<tr>
<th>Year</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1,300</td>
</tr>
<tr>
<td>2012</td>
<td>1,200</td>
</tr>
<tr>
<td>2013</td>
<td>1,100</td>
</tr>
<tr>
<td>2014</td>
<td>1,000</td>
</tr>
<tr>
<td>2015</td>
<td>1,100</td>
</tr>
</tbody>
</table>

US base prices (USD) 1)

<table>
<thead>
<tr>
<th>Year</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1,400</td>
</tr>
<tr>
<td>2012</td>
<td>1,300</td>
</tr>
<tr>
<td>2013</td>
<td>1,200</td>
</tr>
<tr>
<td>2014</td>
<td>1,300</td>
</tr>
<tr>
<td>2015</td>
<td>1,400</td>
</tr>
</tbody>
</table>

Source: CRU October 2015
1) 2mm sheet cold rolled 304 grade
Imports to Europe increased and remained high in the US

Third-country imports into Europe, total market 3.7 Mtonnes in 2014

Market penetration of imports in Europe, %

<table>
<thead>
<tr>
<th></th>
<th>Q3/15</th>
<th>Q2/15</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>0.1</td>
<td>0.7</td>
<td>9.6</td>
</tr>
<tr>
<td>Total</td>
<td>28.0</td>
<td>22.9</td>
<td>30.6</td>
</tr>
</tbody>
</table>

Chinese imports down, being partly replaced by other imports

Imports to the US, total market 1.6 Mtonnes in 2014

Market penetration of imports in the US, %

<table>
<thead>
<tr>
<th></th>
<th>Q3/15</th>
<th>Q2/15</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>6.1</td>
<td>13.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Total</td>
<td>22.9</td>
<td>32.2</td>
<td>19.5</td>
</tr>
</tbody>
</table>

High import levels remain. Imports from China ease

Source: Foreign Trade Statistics October 2015
1) SMR CR apparent consumption September 2015
2) July-August, 2015
Q3 key financials overview

- Stainless steel deliveries down 7%
  - EMEA -10%
  - Quarto Plate -23%
  - Coil Americas +21%
- Sales declined 12% due to lower deliveries and prices
- Underlying EBIT declined: weaker performance in Coil EMEA, Quarto Plate and APAC
- EUR -8 million net effect of raw material-related inventory and metal derivative gains/losses (Q2: -1)
- Strong operating cash flow EUR 67 million

### Group key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>III/15</th>
<th>II/15</th>
<th>III/14</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>570</td>
<td>616</td>
<td>634</td>
<td>2,554</td>
</tr>
<tr>
<td>Sales</td>
<td>1,487</td>
<td>1,694</td>
<td>1,799</td>
<td>6,844</td>
</tr>
<tr>
<td>EBITDA</td>
<td>3</td>
<td>55</td>
<td>67</td>
<td>104</td>
</tr>
<tr>
<td>EBIT</td>
<td>-77</td>
<td>-26</td>
<td>-9</td>
<td>-243</td>
</tr>
<tr>
<td>Underlying EBIT ¹)</td>
<td>-67</td>
<td>-25</td>
<td>-28</td>
<td>-88</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>67</td>
<td>-41</td>
<td>23</td>
<td>-126</td>
</tr>
<tr>
<td>Capex (accounting)</td>
<td>29</td>
<td>35</td>
<td>25</td>
<td>127</td>
</tr>
<tr>
<td>Personnel at end of period</td>
<td>11,560</td>
<td>11,665</td>
<td>12,385</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
Good progress in cost saving programs

Cumulative savings 2013-2017 and related cash costs, MEUR

- EUR 21 million savings in Q3, with EUR 10 million from the EMEA restructuring following Bochum melt shop closure
- Total savings of EUR 454 million vs. 2012
- Run rate indicates that targeted EUR 470 million by end of 2015 is achievable
- Total cash cost estimate for all three programs unchanged at ~EUR 220 million
- Cash outflow of EUR 5 million in Q3
Targeting cumulative EUR 400 million cash release in 2015 from net working capital

Cash flow from working capital change ¹)

Inventory days development ²)

---

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

3) 86 days target is an estimate based on similar sales configuration as 2014

Since 2015, Outokumpu reports inventory days by comparing the current inventories with deliveries planned in following three months. History adjusted accordingly.
Coil EMEA profitability hit by low volumes and weak market

- Seasonally slow Q3: continued destocking, low nickel affecting order intake
- Planned maintenance breaks successfully completed
- EUR 20/t base price increase in deliveries, vs. flat average price reported by CRU
- Weak performance as a result of lower deliveries
  - Strike in Finland on Sept 18, and effects of earlier HR issues in Tornio
  - Very low nickel price: pressure on base prices and scrap costs
- Bochum melt shop closure yielded savings of about EUR 10 million
Coil Americas improved while suffering from difficult markets and declining prices

- Distributor customers continued in destocking mode: low nickel price
- Decisive measures to improve Coil Americas’ volumes and profitability ongoing
- More active approach in the market resulted in improved order intake
  - Deliveries up 21%
- Base price down USD 135/t in deliveries
- Slightly improved performance
  - Higher volumes, better utilization rates, cost improvements
  - Positives largely offset by difficult market and low prices
Business areas APAC, Quarto Plate & Long Products

- **APAC**
  - Underlying EBIT
  - Demand and prices weak
  - Lower deliveries due to low order intake in SKS
  - Underlying EBIT impacted by weak profitability in SKS
  - Markets expected to remain challenging

- **Quarto Plate**
  - Underlying EBIT
  - Markets continued subdued
  - Underlying EBIT clearly down as a result of lower deliveries and prices
  - Includes a customer claim provision of EUR 4 million

- **Long Products**
  - Underlying EBIT
  - Price pressure due to low nickel, subdued project activity and high imports
  - Underlying EBIT stable despite lower volumes as product mix compensated
  - Competition in standard grades tightening
Strong focus on managing the cash flows

<table>
<thead>
<tr>
<th>EUR million</th>
<th>III/15</th>
<th>II/15</th>
<th>III/14</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operating</td>
<td>67</td>
<td>-41</td>
<td>23</td>
<td>-126</td>
</tr>
<tr>
<td>activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash from investing</td>
<td>-15</td>
<td>-34</td>
<td>-13</td>
<td>-162</td>
</tr>
<tr>
<td>activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free cash flow</td>
<td>52</td>
<td>-75</td>
<td>10</td>
<td>-289</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>225</td>
<td>207</td>
<td>400</td>
<td>191</td>
</tr>
</tbody>
</table>

- Strong EUR 67 million positive operating cash flow in Q3
  - Change in working capital EUR 91 million (II/2015: EUR -67 million)
  - EUR -16 million of cash outflow related to provisions and pension obligations
  - Capital contribution of EUR 41 million from Baosteel to SKS
- Capex cash flow kept at minimum
- Quarterly financing costs in line with full-year guidance
- Overall liquidity reserves at EUR 1.3 billion
Net debt reduced and gearing stable.
Long-term net debt target of below EUR 1.5 billion
Recent divestments strengthen financial position

Fischer Mexicana
- Divestment of 50% stake in Fischer Mexicana for USD 63 million
- Fischer Mexicana is a joint venture between F.E.R. Fischer Edelstahlrohre GmbH and Outokumpu
- Closing of the transaction expected in Q4

SKS (Shanghai Krupp Stainless Co., Ltd)
- Divestment of 55% of SKS shares to Lujiazui International Trust Co., Ltd.
- Outokumpu still holds a 5% share of SKS and operates the cold rolling mill
- Transaction cash value EUR ~370 million
- Net debt expected to decrease by EUR ~430 million and gearing by ~30 percentage points
- Closing of the transaction is expected by end of November

Combined estimated positive impact:
- Net result EUR 360 million
- Debt reduction EUR 460 million
- Gearing reduction 37 pp
Change in useful life assumption

- Useful lives of its property, plant and equipment reviewed
- Certain existing machinery and equipment have been and will be used longer than previously anticipated
- For heavy machinery and equipment, the useful life estimate changed to 15–30 years vs. 15–20 years earlier
- New accounting estimate will be applied prospectively from October 1, 2015 onwards
- Positive impact on the Group’s Q4 underlying EBIT estimated to be about EUR 7 million as part of the lower depreciation impact is still captured within the inventory value and will realize fully only in 2016

<table>
<thead>
<tr>
<th>Reduction of annual depreciation charge, MEUR</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coil EMEA</td>
<td>~35</td>
</tr>
<tr>
<td>Coil Americas</td>
<td>~35</td>
</tr>
<tr>
<td>Quarto Plate</td>
<td>~3</td>
</tr>
<tr>
<td>Long Products</td>
<td>~1</td>
</tr>
<tr>
<td>Group</td>
<td>~75</td>
</tr>
</tbody>
</table>
Contents

1. Q3/15 overview and financial performance
2. Outlook and guidance
Expectations for Q4 real demand flat

EMEA total stainless steel real demand\(^1\)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2014</th>
<th>2015f SMR Apr '15</th>
<th>2015f SMR Jun'15</th>
<th>2015f SMR Sep'15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Americas total stainless steel real demand\(^1\)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2014</th>
<th>2015f SMR Apr '15</th>
<th>2015f SMR Jun'15</th>
<th>2015f SMR Sep'15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

November 5, 2015
Business and financial outlook for Q4 2015

Current subdued stainless steel market situation to continue for the rest of 2015

End-user demand outside the Oil & Gas sector expected to remain healthy.

While stocks are expected to gradually decrease, no significant rebound in buying activity is expected.

Import pressure in both Europe and USA is likely to persist.

Outokumpu estimates

- Q4 delivery volumes to be at a similar level as in Q3
- The Group’s underlying EBIT for the Q4 is estimated to be still at a loss
- With current prices, net impact of raw material-related inventory and metal derivative gains/losses on profitability expected to be approximately EUR 40-50 million negative

- The divestments of Fischer Mexicana JV stake and 55% share in SKS planned to be completed in Q4
  - One-time positive impact of about EUR 360 million on Group’s net result

This underlying EBIT outlook reflects the current scope of operations without the announced divestments and includes the change in estimated useful lives of property, plant and equipment with a positive impact of approximately EUR 7 million on underlying EBIT in Q4. Outokumpu’s operating result may be impacted by non-recurring items associated with the ongoing restructuring programs.
Clear business priorities

1. Coil Americas turnaround
2. Further progress in Coil EMEA
3. Additional commercial and operational improvements in all business areas
4. NWC management and cash flows
5. Closing of M&A transactions and debt reduction
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
Appendix
Coil EMEA

EMEA key figures

<table>
<thead>
<tr>
<th></th>
<th>III/15</th>
<th>II/15</th>
<th>III/14</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>374</td>
<td>415</td>
<td>395</td>
<td>1,666</td>
</tr>
<tr>
<td>Ferrochrome external deliveries, kt</td>
<td>29</td>
<td>23</td>
<td>33</td>
<td>133</td>
</tr>
<tr>
<td>Sales</td>
<td>973</td>
<td>1,090</td>
<td>1,134</td>
<td>4,520</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>-3</td>
<td>56</td>
<td>38</td>
<td>78</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>2</td>
<td>42</td>
<td>15</td>
<td>62</td>
</tr>
<tr>
<td>Operating capital</td>
<td>2,333</td>
<td>2,362</td>
<td>2,535</td>
<td>2,405</td>
</tr>
</tbody>
</table>

- Seasonally slow Q3: continued destocking, low nickel affecting order intake
- Planned maintenance breaks successfully completed
- EUR 20/t base price increase in deliveries, vs. flat avg. price reported by CRU
- Weak performance as a result of lower deliveries
  - Strike in Finland on Sept 18. and effects of earlier hot rolling issues in Tornio
  - Very low nickel price: pressure on base prices and scrap costs
- Bochum melt shop closure yielded savings of about EUR 10 million
# Coil Americas

## Americas key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>I/15</th>
<th>II/15</th>
<th>III/14</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>134</td>
<td>111</td>
<td>137</td>
<td>541</td>
</tr>
<tr>
<td>Sales</td>
<td>276</td>
<td>255</td>
<td>316</td>
<td>1,158</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>-49</td>
<td>-65</td>
<td>-29</td>
<td>-82</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>-44</td>
<td>-50</td>
<td>-33</td>
<td>-93</td>
</tr>
<tr>
<td>Operating capital</td>
<td>1,193</td>
<td>1,289</td>
<td>1,170</td>
<td>1,195</td>
</tr>
</tbody>
</table>

## Underlying EBIT (EUR million)

-93

<table>
<thead>
<tr>
<th></th>
<th>I/14</th>
<th>II/14</th>
<th>III/14</th>
<th>IV/14</th>
<th>I/15</th>
<th>II/15</th>
<th>III/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>-40</td>
<td>-25</td>
<td>-33</td>
<td></td>
<td></td>
<td>-28</td>
<td>-50</td>
<td>-44</td>
</tr>
</tbody>
</table>

- Distributor customers continued in destocking mode: low nickel price
- Decisive measures to improve Coil Americas’ volumes and profitability ongoing
- More active approach in the market resulted in improved order intake
  - Deliveries up 21%
  - Base price down USD 135/t in deliveries
- Slightly improved performance
  - Higher volumes, better utilization rates, cost improvements
  - Positives largely offset by difficult market and low prices
**APAC**

**APAC key figures**

<table>
<thead>
<tr>
<th>EUR million</th>
<th>III/15</th>
<th>II/15</th>
<th>III/14</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>51</td>
<td>61</td>
<td>60</td>
<td>220</td>
</tr>
<tr>
<td>Sales</td>
<td>97</td>
<td>129</td>
<td>124</td>
<td>444</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>-8</td>
<td>-5</td>
<td>-2</td>
<td>-6</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>-9</td>
<td>-4</td>
<td>-2</td>
<td>-6</td>
</tr>
<tr>
<td>Operating capital</td>
<td>174</td>
<td>183</td>
<td>200</td>
<td>184</td>
</tr>
</tbody>
</table>

**Underlying EBIT (EUR million)**

- Stainless steel demand has slowed down in the APAC region
- Stainless steel prices further down in China; low nickel price, overcapacity
- Deliveries were mainly impacted by reduced order intake in the SKS mill due to the limited availability of attractively priced raw material
- Weak euro had a negative impact on the competitiveness of imported material from Outokumpu’s mills in Europe
- Underlying EBIT impacted by weak profitability in SKS
Quarto Plate

Quarto Plate key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>III/15</th>
<th>II/15</th>
<th>III/14</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>24</td>
<td>31</td>
<td>24</td>
<td>98</td>
</tr>
<tr>
<td>Sales</td>
<td>104</td>
<td>133</td>
<td>113</td>
<td>450</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>-14</td>
<td>-2</td>
<td>-5</td>
<td>-26</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>-16</td>
<td>-4</td>
<td>-11</td>
<td>-30</td>
</tr>
<tr>
<td>Operating capital</td>
<td>204</td>
<td>228</td>
<td>251</td>
<td>218</td>
</tr>
</tbody>
</table>

Underlying EBIT (EUR million)

- Operating environment extremely difficult in Q3
- Investment climate has continued subdued and customers have been hesitant to place new orders
- Prices continued under pressure in Europe and the US
- Underlying EBIT at EUR -16 million
  - Lower delivery volumes
  - Weak prices
  - A customer claim provision of EUR 4 million
## Long Products

### Long Products key figures

<table>
<thead>
<tr>
<th>EUR million</th>
<th>III/15</th>
<th>II/15</th>
<th>III/14</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>58</td>
<td>62</td>
<td>60</td>
<td>248</td>
</tr>
<tr>
<td>Sales</td>
<td>142</td>
<td>159</td>
<td>171</td>
<td>651</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>1</td>
<td>5</td>
<td>8</td>
<td>33</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>32</td>
</tr>
<tr>
<td>Operating capital</td>
<td>163</td>
<td>163</td>
<td>151</td>
<td>167</td>
</tr>
</tbody>
</table>

### Underlying EBIT (EUR million)

<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>
<th>III/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>11</td>
<td>6</td>
<td>12</td>
<td>3</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

- Overall demand for long products continued to be weak
  - Low nickel price
  - Subdued project activity
  - Import pressure
- Deliveries only slightly down
  - Seasonal impacts partly offset by further increased internal slab deliveries
- Underlying EBIT stable despite lower volumes as product mix compensated
### Outokumpu balance sheet

<table>
<thead>
<tr>
<th>Assets (MEUR)</th>
<th>30.9.15</th>
<th>30.6.15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>567</td>
<td>572</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>3,061</td>
<td>3,138</td>
</tr>
<tr>
<td>Investments in associated companies and joint ventures</td>
<td>82</td>
<td>81</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>38</td>
<td>35</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>61</td>
<td>62</td>
</tr>
<tr>
<td>Defined benefit plan assets</td>
<td>38</td>
<td>40</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>3,864</td>
<td>3,945</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>1,413</td>
<td>1,552</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>32</td>
<td>64</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>676</td>
<td>798</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>225</td>
<td>207</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>2,346</td>
<td>2,621</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>6,210</td>
<td>6,566</td>
</tr>
</tbody>
</table>
### Outokumpu balance sheet

<table>
<thead>
<tr>
<th>Equity and liabilities (MEUR)</th>
<th>30.9.15</th>
<th>30.6.15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total equity</strong></td>
<td>2,085</td>
<td>2,195</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current debt</td>
<td>1,494</td>
<td>1,576</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>38</td>
<td>39</td>
</tr>
<tr>
<td>Defined benefit and other long-term employee benefit obligations</td>
<td>335</td>
<td>332</td>
</tr>
<tr>
<td>Provisions</td>
<td>110</td>
<td>113</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>48</td>
<td>47</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>2,035</td>
<td>2,119</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current debt</td>
<td>743</td>
<td>747</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>51</td>
<td>64</td>
</tr>
<tr>
<td>Provisions</td>
<td>26</td>
<td>21</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>1,270</td>
<td>1,420</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>2,090</td>
<td>2,252</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>6,210</td>
<td>6,566</td>
</tr>
</tbody>
</table>
Cost analysis Q3 2015

Operative cost components 1)

- Raw materials account for around 60% 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)

- 2012: Total Group excl. OSTP, Terni remedy assets, VDM, certain service centers
- Overall target is to reduce global headcount by up to 3,500 between 2013–2017

Personnel per BA at the end of Q3/15

- 7,092 (62%)
- 782 (7%)
- 660 (6%)
- 2,146 (18%)
- 579 (5%)
- 301 (3%)

1) 2012: Total Group excl. OSTP, Terni remedy assets, VDM, certain service centers (Willich initial remedy headcount)
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**
- MELTING: CALVERT (US) 900 [kt p.a.]
- HOT ROLLING: CALVERT (US) 870

**APAC**
- MELTING: [kt p.a.]

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

**NOTES**
- 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

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

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: 45%
- End-customers: 55%

Sales by end-customer segment 1)

- Consumer goods & Medical: 17%
- Automotive: 18%
- Chemical, Petrochemical and Energy: 4%
- Metal processing & Tubes: 15%
- Architecture, Building & Construction: 5%
- Heavy industries: 24%
- Other: 17%

1) Management estimates Q3 2015
**Broadest product portfolio across stainless steel**

Deliveries by product grade ¹)

- Outokumpu has a broad product portfolio to serve all customers
- Significantly higher share of ferritic grades leads into reduced sensitivity to nickel price volatility²)
- Outokumpu product mix closely resembles the overall market mix by grade

1) Management estimates Q3 2015, Q2 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: 40%
- End users and processors through internal service center: 35%
- Distributors through internal service centers: 8%
- Distributors direct sales: 16%

End users & processors: 57%
Distributors: 43%

Total stainless market size in 2015 2)
Total Europe: 5,871

- Nordic: 423
- Eskilstuna
- Outokumpu core market
- Dabrowa Gornica
- Wilnsdorf
- Alfortville
- Sachsenheim
- Dabrowa Gornica
- Castelleone
- Italy: 1,512
- Spain: 335
- Turkey: 410
- UK: 267
- Germany: 1,602
- France: 375

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

Outokumpu core market
Outokumpu non-core market

November 5, 2015
Nickel price development

• The nickel prices fell close to six-year lows of ~$9,500/t in August on soft demand, high stocks and concerns over Chinese economy
• The price stabilized in September and was trading sideways around ~10,000 USD/tonne levels during the rest of the quarter
• The average price in the quarter was 10,552 USD/tonne, 18.9% lower than 13,015 USD/tonne in the second quarter of 2015.
• LME stock levels have decreased slightly in recent months but are still close to all-time highs

Update: November 4, 2015
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

![Nickel price chart]
- 9 Oct 15: 10,710 USD/t

![Ferrochrome price chart]
- Q4/15: 1.04 USD/lb
- 9 Oct 15: 0.73 USD/lb

![Molybdenum price chart]
- 9 Oct 15: 4.9 USD/lb

![Carbon steel scrap price chart]
- 9 Oct 15: 162 USD/t