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

Roeland Baan
CEO

Reinhard Florey
CFO

Johanna Henttonen
SVP
Investor Relations
Q1 in line with our expectations

- Delivery volumes up by 6%
- Operating cash flow EUR 74 million
- Net debt to below 1.6 billion
- Lower base prices
- Scrap costs increased
- Total of EUR 15 million write-downs of trade receivables in Europe and aged inventories in Americas
- Lower ferrochrome price

Due to change in D&A in Q4/15, the underlying EBIT’s of prior quarters are not comparable
~1% demand growth expected for 2016

Data source: SMR, April 2016
Real demand for total stainless steel (rolled & forged products, excl. 13Cr tubes, profiles)
European base prices resilient

European base prices\(^1\), EUR/tonne

- Germany

Third-country imports\(^2\) into Europe, 1,000 tonnes

- From Asia
- From rest of world
- Import penetration

1. 2mm sheet cold rolled 304 grade. CRU April 2016

Import penetration decreased slightly to 24.4% in Q1
American base prices turning the corner

US base prices\(^1\), USD/tonne

Third-country imports\(^2\) into the US, 1,000 tonnes

1. 2mm sheet cold rolled 304 grade. CRU April 2016

Import penetration decreased to 20.7% in Jan-Feb
13-year low in nickel price reflected in stainless transaction prices

Nickel price, USD/tonne

Transaction prices 304 stainless, USD/tonne

Europe  USA  China
Q1 key financials

Deliveries grew in both Europe and Americas

Sales down by 3.4% driven by lower prices

Positives from higher deliveries offset by downward pressure on prices, increase in scrap costs and write-downs

Positive operating cash flow of EUR 74 million

<table>
<thead>
<tr>
<th>Key figures</th>
<th>Q1/16</th>
<th>Q4/15</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, 1,000 tonnes</td>
<td>610</td>
<td>574</td>
<td>2,381</td>
</tr>
<tr>
<td>Sales, EUR million</td>
<td>1,386</td>
<td>1,435</td>
<td>6,384</td>
</tr>
<tr>
<td>Underlying EBITDA, EUR million</td>
<td>38</td>
<td>50</td>
<td>196</td>
</tr>
<tr>
<td>Underlying EBIT, EUR million</td>
<td>-20</td>
<td>-11</td>
<td>-101</td>
</tr>
<tr>
<td>EBIT, EUR million</td>
<td>-12</td>
<td>341</td>
<td>228</td>
</tr>
<tr>
<td>Net result, EUR million</td>
<td>-41</td>
<td>308</td>
<td>86</td>
</tr>
<tr>
<td>Operating cash flow, EUR million</td>
<td>74</td>
<td>2</td>
<td>-34</td>
</tr>
<tr>
<td>Net debt, EUR million</td>
<td>1,551</td>
<td>1,610</td>
<td>1,610</td>
</tr>
<tr>
<td>Capital expenditure, EUR million</td>
<td>32</td>
<td>65</td>
<td>154</td>
</tr>
<tr>
<td>Personnel at the end of the period</td>
<td>10,920</td>
<td>11,002</td>
<td>11,002</td>
</tr>
</tbody>
</table>
Updates in Outokumpu financial reporting

**Reporting practices**
- Interim statements in Q1 and Q3
- Q2 and Q4/FY reports continue to follow IAS 34 format

**Underlying EBIT as main profitability measure**
- Shows best underlying profit drivers and operational performance
- Adjustments to IFRS EBIT:
  - Material income and expense items earlier labelled as non-recurring items
  - Raw material related inventory gains/losses and metal derivative gains/losses

**New business areas**
- Q1 reported according to new BA structure:
  - Europe
  - Americas
  - Long Products
- Restated quarterly data available for past two years
Europe’s performance stronger

- End-demand stable, distributor demand subdued
- Prices under pressure
- Operating environment for plate products subdued
- Ferrochrome production 132,000 tonnes
- EMEA restructuring program savings of EUR 15 million
- Adjustments:
  - EUR -8 million related to earlier site closures
  - EUR -2 million net effect of raw material-related inventory and metal derivative gains/losses
- Write-down of EUR 12 million trade receivable

Due to change in D&A in Q4/15, the underlying EBIT’s of prior quarters are not comparable
Americas’ market dynamic started to improve

- Apparent consumption up by 4.8%
- Antidumping and countervailing duty petitions against Chinese importers filed in February
- Announced price increases expected to have a gradual positive impact from April onwards
- Base prices in deliveries stable vs Q4
- Adjustments:
  - EUR 25 million insurance compensation
  - EUR -8 million net effect of raw material-related inventory and metal derivative gains/losses
- EUR 3 million aged inventory write down at Calvert

Due to change in D&A in Q4/15, the underlying EBIT’s of prior quarters are not comparable
Long Products’ prices still under pressure

- Operating environment overall weak particularly in the US
- Prices under pressure in both Europe and the US
  - low nickel prices
  - subdued Oil & Gas -related project activity
  - import pressure
  - tight competition
- Gradual pick up in order intake
- Net effect of raw material-related inventory and metal derivative gains/losses was EUR -3 million

Deliveries up by 19% due to higher internal slab deliveries

Weaker underlying EBIT as a result of low prices and a weak product mix

Due to change in D&A in Q4/15, the underlying EBIT’s of prior quarters are not comparable
Positive operating cash flow

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Q1/16</th>
<th>Q4/15</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operating activities</td>
<td>74</td>
<td>2</td>
<td>-34</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>-17</td>
<td>319</td>
<td>239</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>57</td>
<td>321</td>
<td>205</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>166</td>
<td>186</td>
<td>186</td>
</tr>
</tbody>
</table>

- Change in working capital of EUR 58 million
- Financing costs EUR 34 million
- Overall liquidity reserves EUR 900 million
- Net debt decreased by EUR 59 million
Net debt decreased to below EUR 1.6 billion
Real demand expected to remain sequentially flat in Q2

EMEA total stainless steel real demand, 1,000 tonnes

Americas total stainless steel real demand, 1,000 tonnes

1) Total stainless = rolled & forged products, excl. 13Cr tubes, profiles
Business and financial outlook for Q2/2016

**Market commentary**

**In Europe**
- Underlying demand in key sectors outside of Oil & Gas expected to continue healthy
- Stock levels among distributors above historical averages

**In Americas**
- Stock levels among distributors below historical averages
- Price increases have been announced
- Chinese imports are being addressed with antidumping investigation

**Outokumpu estimates for Q2**

Delivery volumes to be sequentially flat

Underlying EBIT to remain at a similar level as in Q1

Results will be burdened by weaker performance of the ferrochrome business driven by low ferrochrome price and US dollar

With current prices, net impact of raw material-related inventory and metal derivative gains/losses on profitability is expected to be marginal, if any.

This outlook reflects the current scope of operations.
Improving competitiveness and financial performance

To be the best value creator in stainless steel by 2020 through customer orientation and efficiency.

The best value in the industry for customers, shareholders and employees through:

1. EBIT
   EUR 500 million
2. ROCE
   12%
3. Gearing
   <35%

PORTFOLIO
AMERICAS
MANUFACTURING EXCELLENCE
SAFETY
HIGH PERFORMING ORGANIZATION
WORLD CLASS SUPPLY CHAIN
AMERICAS
PORTFOLIO
Immediate actions for a step change in cost and competitive position

1. New organizational set-up
2. SG&A cost reduction EUR 100 million by the end of 2017
3. NWC reduction At least EUR 200 million by end of 2016

Net debt EUR 1.2 billion by the end of 2017
Our new vision

To be the best value creator in stainless steel by 2020 through customer orientation and efficiency.
## Balance sheet

<table>
<thead>
<tr>
<th>Assets</th>
<th>31.3.16 (MEUR)</th>
<th>31.12.15 (MEUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>496</td>
<td>498</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>2,924</td>
<td>3,005</td>
</tr>
<tr>
<td>Investments in associated companies and joint ventures</td>
<td>62</td>
<td>63</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>45</td>
<td>41</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>22</td>
<td>16</td>
</tr>
<tr>
<td>Defined benefit plan assets</td>
<td>47</td>
<td>35</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>36</td>
<td>40</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>3,632</td>
<td>3,698</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>1,147</td>
<td>1,251</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>45</td>
<td>53</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>694</td>
<td>686</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>166</td>
<td>186</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>2,052</td>
<td>2,177</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>5,684</td>
<td>5,874</td>
</tr>
</tbody>
</table>
## Balance sheet

<table>
<thead>
<tr>
<th>Equity and liabilities (MEUR)</th>
<th>31.3.16</th>
<th>31.12.15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total equity</strong></td>
<td>2,229</td>
<td>2,329</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current debt</td>
<td>870</td>
<td>1,249</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Defined benefit and other long-term employee benefit obligations</td>
<td>388</td>
<td>369</td>
</tr>
<tr>
<td>Provisions</td>
<td>111</td>
<td>113</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><strong>1,442</strong></td>
<td><strong>1,805</strong></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current debt</td>
<td>848</td>
<td>547</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>38</td>
<td>50</td>
</tr>
<tr>
<td>Provisions</td>
<td>17</td>
<td>23</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>1,111</td>
<td>1,121</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>2,014</strong></td>
<td><strong>1,741</strong></td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>5,684</strong></td>
<td><strong>5,874</strong></td>
</tr>
</tbody>
</table>
Cost analysis

Operative cost components in 2015

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
Headcount reductions

Total headcount reduction

2012: 13,327
2013: 766
2014: 436
2015: 1,123
2016 to date: 82
To come: 1,620
To be state: 9,300

Personnel per business area at the end Q1/16

- Europe: 7,709
- Americas: 2,263
- Long Products: 656
- Other operations: 292
Balanced customer base across industries

Figures for full year 2015

Distributors

End-customers

- Consumer goods & medical
- Automotive
- Architecture, building & construction
- Chemical, petrochem. and energy
- Metal processing & tubes
- Heavy industries
- Other

44%
56%
22%
17%
17%
15%
20%
5%
4%
Broaest product portfolio across stainless steel

Deliveries by product grade in 2015

- Austenitic (CrNi) 56%
- Ferritic 21%
- Austenitic (CrNiMo) 16%
- Duplex 4%
- Other 3%

Outokumpu product forms

- Ferrochrome
- Slab
- Quarto plate
- Hot rolled black coil
- Hot and cold rolled white coil
- Precision strip
- Cast semis
- Rolled and forged billet
- Bar
- Rebar
- Wire rod
- Welded pipe
## Fully integrated production asset base

<table>
<thead>
<tr>
<th></th>
<th>Europe</th>
<th>Americas</th>
<th>Long Products</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tornio</strong></td>
<td>Finland</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Avesta</strong></td>
<td>Sweden</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Krefeld</strong></td>
<td>Germany</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Degerfors</strong></td>
<td>Sweden</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Calvert</strong></td>
<td>USA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mexinox</strong></td>
<td>Mexico</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>New Castle</strong></td>
<td>USA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sheffield</strong></td>
<td>UK</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Richburg</strong></td>
<td>USA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Degerfors</strong></td>
<td>Sweden</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Wildwood</strong></td>
<td>USA</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Process</th>
<th>Europe</th>
<th>Americas</th>
<th>Long Products</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Melting</td>
<td>1,450</td>
<td>450</td>
<td>900</td>
<td>450</td>
</tr>
<tr>
<td>Hot rolling</td>
<td>1,450</td>
<td>900</td>
<td>870</td>
<td></td>
</tr>
<tr>
<td>Cold rolling</td>
<td>900</td>
<td>250</td>
<td>150 500</td>
<td>250</td>
</tr>
</tbody>
</table>
Low capacity utilization in China, on healthier level in Europe and Americas

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demand covered by Rest Asia</td>
<td>Demand covered by China</td>
<td>CRU Capacity</td>
<td>Demand covered by Rest Asia</td>
<td>Demand covered by China</td>
</tr>
<tr>
<td>Asia</td>
<td>15</td>
<td>18</td>
<td>19</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Europe</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Americas</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>13</td>
</tr>
</tbody>
</table>

Source: SMR Real Demand Feb 2016; CRU Capacity Feb 2016
* Using 2015 imports share as forecast for 2016-2019
Unbalanced trade flows

Factors supporting exports:
- Exchange rate benefits
- Cost advantages
- Government subsidies
- Different regulations

Game changers:
- EU antidumping case
- Indonesian nickel ore ban
- Possible US antidumping

Source: Foreign trade statistics March 2016
Nickel prices slumped to 13-year lows below 8,000 USD/tonne in early February on the back of increasing fears over global economy and subdued demand.

In early March prices recovered to around 9,400 USD/tonne on improving sentiment among commodities general, but lost most of the gains and ended the quarter at 8,280 USD/tonne, 4.4% lower than in the beginning of the quarter.

The average price of the quarter of 8,504 USD/tonne, was 9.6% lower than 9,412 USD/tonne in the fourth quarter of 2015.
For more information, call Outokumpu Investor Relations or visit www.outokumpu.com/investors

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Next IR events
Q2 Interim Report
July 26, 2016