<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
<th>Presenter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>13:30</td>
<td>Opening remarks</td>
<td>Tommi Järvenpää, Head of Investor Relations</td>
<td></td>
</tr>
<tr>
<td>13:35</td>
<td>Best value creator in stainless steel by 2020 through customer orientation and efficiency</td>
<td>Roeland Baan, CEO</td>
<td>6</td>
</tr>
<tr>
<td>14:10</td>
<td>Americas – gearing up for growth</td>
<td>Michael S. Williams, Head of Americas</td>
<td>24</td>
</tr>
<tr>
<td>14:45</td>
<td>Coffee break</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15:15</td>
<td>Europe – from restructuring to profitable growth</td>
<td>Roeland Baan, CEO</td>
<td>38</td>
</tr>
<tr>
<td>15:50</td>
<td>Long Products – creating value through efficiency and specialization</td>
<td>Kari Tuutti, Head of Long Products</td>
<td>50</td>
</tr>
<tr>
<td>16:15</td>
<td>Improving profitability – debt declining</td>
<td>Chris de la Camp, CFO</td>
<td>63</td>
</tr>
<tr>
<td>16:45</td>
<td>Summary Q&amp;A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16:55</td>
<td>Final words</td>
<td>Roeland Baan, CEO</td>
<td></td>
</tr>
<tr>
<td>17:00</td>
<td>Cocktails</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Speakers

Roeland Baan
CEO
b. 1957, Dutch citizen

Roeland Baan is the President and Chief Executive Officer of Outokumpu and President of the business area Europe.

Roeland joined the company in the beginning of 2016. Roeland has almost two decades of experience in aluminum and carbon steel as well as extensive experience in the energy industry. Roeland holds a M.Sc. degree in Economics.

Michael S. Williams
Head of Americas
b. 1960, US citizen

Michael Williams heads the Americas business area of Outokumpu.

Michael joined the company in 2015 with over 30 years of experience in aluminum and carbon steel in United States. He holds a B. Sc. degree in Information science.
Speakers

Kari Tuutti
Head of Long Products

b. 1970, Finnish citizen

Kari Tuutti heads the Long Products business area in Outokumpu. He joined Outokumpu in 2011 and he had headed communications, marketing, investor relations and sustainability in the Group before moving over to Long Products.

Before Outokumpu, Kari has worked with marketing, communications and treasury in Nokia and Merita Bank, and he holds a M.Sc. (Econ.) degree.

Chris de la Camp
CFO

b. 1963, German citizen

Chris de la Camp joined Outokumpu in July 2016 as Chief Financial Officer.

Chris has an extensive financial, commercial and project-related background and leadership experience in chemical and oil & gas industries. Chris holds an MBA degree as well as B.Sc. degree in Engineering.
Disclaimer

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Best value creator in stainless steel by 2020 through customer orientation and efficiency

Roeland Baan
CEO
Best value creator in stainless steel by 2020 through customer orientation and efficiency

1. Customers
2. Shareholders
3. Employees

Time bound: sense of urgency

Back to basics
Improving performance

Financial targets for 2020

**EBIT**
Euro 500 million

**ROCE**
12%

**Gearing**
<35%
We have a strong foundation

- No. 1 in Europe, No. 2 in Americas
- World-class assets
- Strong product portfolio
- Solid balance sheet

Underlying EBIT, EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>9M/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>-377</td>
<td>-88</td>
<td>-101</td>
<td>7</td>
</tr>
</tbody>
</table>
We have improved our profitability through self-help

**European average base price, EUR/tonne**

<table>
<thead>
<tr>
<th></th>
<th>9M/15</th>
<th>9M/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M/15</td>
<td>1,056</td>
<td></td>
</tr>
<tr>
<td>9M/16</td>
<td>1,053</td>
<td></td>
</tr>
</tbody>
</table>

**US average base price, USD/tonne**

<table>
<thead>
<tr>
<th></th>
<th>9M/15</th>
<th>9M/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M/15</td>
<td>1,379</td>
<td></td>
</tr>
<tr>
<td>9M/16</td>
<td>1,274</td>
<td></td>
</tr>
</tbody>
</table>

**Nickel price, USD/tonne**

<table>
<thead>
<tr>
<th></th>
<th>9M/15</th>
<th>9M/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M/15</td>
<td>12,636</td>
<td></td>
</tr>
<tr>
<td>9M/16</td>
<td>9,194</td>
<td></td>
</tr>
</tbody>
</table>

**Ferrochrome price, USD/lb**

<table>
<thead>
<tr>
<th></th>
<th>9M/15</th>
<th>9M/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M/15</td>
<td>1.08</td>
<td></td>
</tr>
<tr>
<td>9M/16</td>
<td>0.90</td>
<td></td>
</tr>
</tbody>
</table>

**Underlying EBIT, EUR million**

<table>
<thead>
<tr>
<th></th>
<th>9M/15</th>
<th>9M/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M/15</td>
<td>-90</td>
<td></td>
</tr>
<tr>
<td>9M/16</td>
<td>7</td>
<td></td>
</tr>
</tbody>
</table>

*Sources: Base prices: CRU, October 2016, 2mm cold rolled stainless steel sheet
Nickel: LME settlement quotation
Ferrochrome: Metal Bulletin, quarterly contract price*
Stainless steel is the answer to challenges presented by megatrends

- Urbanization
- Mobility
- Sustainability

Stainless Stainless
Stainless steel demand continues to grow

Global stainless steel real demand in 2015
37.4 million tonnes

Expected global stainless steel real demand in 2020
43.2 million tonnes

- Consumer goods & Medical +18%
- Automotive +13%
- Architecture, Building & Construction +21%
- Heavy industries -1%
- Chemical, Petrochemical and Energy +13%
- Other +13%

Source: SMR, October 2016
We focus on growth segments
Consumer goods, automotive, architecture, building and construction

On Sept 30, 2016, avg. rolling 12 months
We outperform our competitors in customer satisfaction

Net Promoter Score (NPS) reference values

<table>
<thead>
<tr>
<th>Year</th>
<th>Outokumpu</th>
<th>Competition</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>2014</td>
<td>12</td>
<td>19</td>
</tr>
<tr>
<td>2015</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>2016</td>
<td>33</td>
<td>19</td>
</tr>
</tbody>
</table>

Differentiators
- Product quality
- Personnel: expertise

Irritators
- Flexibility & responsiveness
- Price
Our strategic plan

VISION 2020:
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:

- Safety
- High Performing Organization
- World Class Supply Chain
- Manufacturing Excellence
- Americas
- Commercial Excellence
We have actions in place to achieve best-in-class safety

Background
Top performers in any process industry are the ones which have top safety performance too. We have been clearly behind best-in-class level.

Our target
Standardized and disciplined approach to safety that correlates with improved quality and operational efficiency, leading to a top decile position in the industry.

• Safety audits at each mill carried out in 2016
• Leadership attention: CEO safety calls
• Mandatory Safety Behavior Observations

Total recordable incident frequency, TRIFR

9M/16: 10.7
2020: 5.0
High Performing Organization leading to efficiency

Background
Complex organization structure with multiple P&L centers. Complicated and bureaucratic management model. SG&A costs above our main competitors.

Our target
A lean, simple and flat organization that takes its lead from the market requirements.

New organization structure in place since June, reduction of 600 jobs ongoing

Culture change and new way of working to be implemented

SG&A costs at EUR 300 million in 2018

Targeted Organization Health Index score from bottom quartile to top quartile by 2020
World Class Supply Chain: better delivery performance, lower costs

Background
High net working capital and poor delivery performance due to complex, mill centric organization and supply chain.

Our target
Recast the supply chain function to become the core process owner of matching market demand to the optimal manufacturing capabilities.

Vigorous NWC management

Integrated supply chain organization and process

NWC release of EUR 200 million by end of 2016

- Best delivery performance in the industry
- 15% savings in procurement costs by 2020
Manufacturing Excellence leading to higher productivity

Background
Negative productivity development due to unharmonized processes, lack of focus and systematic approach to continuous improvement.

Our target
Implementing a standardized operating model to ensure continuous productivity gains across the company, leading to industry benchmark competitiveness.

- All plants assessed
- Systematic improvement program installed
- Cross-unit best practice installation
- Operational Equipment Effectiveness in progress

- Productivity to improve 2-3% annually
- Higher volumes
- Improvement of equipment efficiency
Americas is the single biggest profitability lever

Background
State of the art mill in Calvert, Alabama. Highly efficient operations in Mexinox, Mexico. The single biggest profitability lever for Outokumpu, with significant improvement potential in both cost and market position.

Our target
To be the most profitable stainless steel producer in North America. Full commercial maturity in 2018.

• Improvement of cost position and efficiency
• Gaining our fair share of the market, becoming the preferred partner
• Product mix and segmentation improvement
• Supply chain optimization

Americas’ underlying EBIT, EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>-163</td>
</tr>
<tr>
<td>9M/16</td>
<td>-73</td>
</tr>
<tr>
<td>2018</td>
<td></td>
</tr>
</tbody>
</table>
Commercial Excellence driving profitable growth

Background
Strong product portfolio and good reputation among customers. Need to leverage the best opportunities.

Our target
Strong market share in main regions. Outokumpu as preferred partner in most demanding projects and applications.

Key achievements so far:
- Increased market share
- Record-high deliveries in Americas
- Profitability improvement in Europe despite lower deliveries

- Industry and region specific strategy and market approach
- Sales and pricing excellence
- Increased production capability
- Customer focus and expansion
- Recognized leader in quality
Our must-win battles deliver EUR 500 million in 2020
Topline growth and cost efficiency based on self-help

**TOP LINE GROWTH**
- Increase volume through efficiency and debottlenecking
- Richer mix through improved capability and selective sales strategy
- Value based selling

55%

45%

**COST REDUCTION**
- Achieve 2-3% annual productivity improvement
- Achieve 15% savings in procurement
- Reduce variable and fixed cost
- Reduce SG&A cost by EUR 100 million

We are solidly on track

We have improved our profitability through self-help

We are driving topline growth and efficiency through our must-win battles

The EUR 500 million by 2020 target is firmly within our reach
Americas – gearing up for growth

Michael S. Williams
Head of Americas
Best value creator in stainless steel by 2020 through customer orientation and efficiency

Significant further improvement potential in costs and topline growth

Strong foothold and good position in the Americas

Clear focus and strong execution drive
America’s stainless market is growing

Total Americas cold rolled market 2016: 2,498 ktons

Canada
2016-20: +16 ktons
CAGR: 2.4%

Mexico
2016-20: +65 ktons
CAGR: 4.5%

US
2016-20: +132 ktons
CAGR: 2.0%

South America
2016-20: +38 ktons
CAGR: 2.5%

Source: SMR, October 2016
The US market demand is recovering

Prices still below historical averages

Demand is recovering: +2% in 2017*

Stock levels slightly below historical averages

Preliminary antidumping duties dampening Chinese imports

Prices increasing, but below historical averages

*Source: SMR, October 2016
Distributors and service centers are the predominant route-to-market in the US

On Sept 30, 2016, BA Americas avg. rolling 12 months, numbers above do not include QPNA & Fortinox
We are firmly established in the market

- Strong #2 in the US
- 25% market share in NAFTA in 2016 YTD
- Five consecutive quarters of delivery growth
- Full commercial capability in place in 2018
We have significant improvement potential

Cost improvement is the biggest lever
- 30% improvement in conversion cost achieved
- 10% of SG&A cost reduced

Further efficiency gains underway in operations, supply chain and SG&A

Topline growth
- Volume increase
- Market share growth
- Profitable sales growth through increased production capability and broader portfolio
Improvements achieved through the must-win battles
New leaders shaping the team into a High Performing Organization

<table>
<thead>
<tr>
<th>New organization, new top leaders</th>
<th>Upskilled talent in commercial and operations teams</th>
<th>SG&amp;A cost reduction on track</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business service center in San Luis Potosi, Mexico</td>
<td>Continued investment in training and development</td>
<td>Energized and engaged people: 96% OHI response rate</td>
</tr>
</tbody>
</table>
Manufacturing Excellence has a big profitability impact, with visible results

Debottlenecking CAPL: 22% throughput improvement achieved

Yield improvement ongoing: Every 1% = up to USD 5 million

Operational Equipment Effectiveness: increasing volume beyond nameplate capacity
World Class Supply Chain efforts are already yielding results

Immediate logistics optimization and spend reduction

- Integrated supply chain organization
- Transportation Management System implemented, transportation contracts rationalized: 12-18% savings in freight

Ongoing long-term development

- On-time delivery
- Raw material purchasing
- Raw material optimization
Commercial Excellence builds further inroads into the market, with a lot of runway.

**Market share growth**
- earning our fair share
  - Increased production capability
  - Broader portfolio
  - Building confidence and trust
  - Winning new customers

**Becoming the preferred partner of choice**
- Outperforming the market in quality
- Recognized customer orientation
- Unmatched technical expertise and support
- One-stop shop: leveraging Outokumpu’s global capabilities
Award-winning customer orientation

Customer need
A reliable, strategic partner who consistently delivers innovation, expertise and flexibility to support growth in the hypercompetitive home appliance market
• Potential 3 month shutdown at main facility due to competitor’s inability to deliver

Our solution
• Cross-functional task force set up
• Specification review
• Customer order flawlessly executed in two weeks
• Just-in-time delivery to backfill supply chain
• Winner of Supply Chain Excellence Award 2016
We are on our way to solid profitability

- Strong foothold and good position in the Americas
- Significant further improvement potential in costs and topline growth
- Clear focus and strong execution drive
Europe – from restructuring to profitable growth

Roeland Baan
CEO

Outokumpu
Best value creator in stainless steel by 2020 through customer orientation and efficiency

Focus on improving efficiency

Major restructuring steps completed

Building on No. 1 market position
Healthy short-term market outlook in Europe

- Real demand for stainless steel remains stable
- Inventories below long-term averages to support restocking
- Imports stabilizing on lower levels since antidumping in place
- Base prices recovering and raw material prices stabilizing
Muted outlook in the mid-term

Flat products market demand to remain stable in Europe

- **Industrial & Heavy industry**: 2016: 254, 2020: 221
- **Automotive & Heavy transport**: 2016: 660, 2020: 708
- **Chemical, Petrochemical & Energy**: 2016: 854, 2020: 779
- **ABC & Infrastructure**: 2016: 913, 2020: 1,076
- **Consumer Goods & Medical**: 2016: 2,145, 2020: 2,045

1,000 tonnes
Source: SMR, October 2016
Restructured assets support earnings growth

- No. 1 in Europe with 31% market share in 2016 YTD
- Streamlined assets, clear roles for the mills
- Restructuring in Germany nearing completion
- Sales and service network in Europe, Middle-East, Africa and Asia-Pacific
Europe’s contribution to must-win battles

- SAFETY
- WORLD CLASS SUPPLY CHAIN
- AMERICAS
- HIGH PERFORMING ORGANIZATION
- MANUFACTURING EXCELLENCE
- COMMERCIAL EXCELLENCE
Implementing High Performing Organization

1

Organization streamlined
• 1 P&L center, mills as cost centers
• Reducing over 400 positions
• Organizational Health Index Survey completed

2

Drive for high performance
• Focused team development plan
• Accelerating execution speed
• Driving for continuous improvement
Manufacturing Excellence ensuring productivity improvement of 3%

Key achievements so far:

- From mill P&Ls to integrated Operations
- New Head of Operations
- Plant assessments completed
- KPIs and improvement targets set
- Material flows optimization

Tornio melting capacity: +15%

Up to 55% improvement in AOD processing time in Avesta

38% improvement in down time in Krefeld
Significant cost savings through World Class Supply Chain

End-to-End Planning
- **Processes**: statistical sales forecast, capacity forecasting
- **Tools**: Unifying order entry, planning and execution systems
- **People**: integrated team, extensive training

Procurement Efficiency
- **Step Change in Spend**
  - Renegotiating and renewing contracts to deliver 15% cost reduction in procurement

Net working capital
- 8% reduction in inventory value achieved
Commercial Excellence to drive more value

Key achievements so far:

- Segmentation
- Value-pricing
- Extended service offering
- Specialty strategy for Asian markets

Shift to more profitable products and regions:
- 10% increase in deliveries in the most profitable regions
- 1% additional margin through focus on value added products
Customer need

The X2 upgrade project, currently underway, seeks to extend the trains’ service life by another 20 years by replacing some of the technical components including the propulsion and auxiliary systems, upgrading the doors and fully renewing the interior.

Our solution

The original stainless steel train frames will stay in service into the 2020s and 2030s, saving both money and natural resources. Over time, investing in quality stainless steel has proven to be the right, cost-effective choice. The lighter build also means that less energy is needed to propel the train, which translates into considerable energy savings over time. Stainless steel met both the speed and safety demands set for the X2000 fleet while also giving the trains a beautiful streamlined exterior.
Major restructuring steps completed

Focus on improving efficiency

Building on No. 1 market position
Long Products – creating value through efficiency and specialization

Kari Tuutti
Head of Long Products
Best value creator in stainless steel by 2020 through customer orientation and efficiency

Grow in US with key customer segments through new capabilities and specialist know-how

Take market share in standard products through enhanced cost position

Grow high value added business in Europe through focus on special products
Creating value through high performance long products

- Bar & Rebar
- Wire Rod
- Semis
- Pipe

- Moda: Mildly corrosive environments
- Core: Corrosive environments
- Supra: Highly corrosive environments
- Forta: Duplex & other high strength
corrosive environments
- Ultra: Extremely corrosive environments
- Dura: High hardness
- Therma: High service temperatures
- Prodec: Improved machinability
- Deco: Special surfaces
Diverse customer base & balanced geographical exposure

End-customer industries

- Heavy industries: 10%
- Construction: 5%
- Oil & gas: 20%
- Chemical: 16%
- Power generation: 11%
- Industrial components: 16%
- Automotive: 11%
- Consumer goods: 5%
- Aerospace: 6%

Sales by region

- Europe: 50%
- US: 40%
- APAC: 10%
Market: resuming growth after oil & gas driven slowdown

Global Long Products demand 5.5 million tons in 2016

Demand to grow by 2.5% annually in 2017-2020*

US: flat pricing expected as imports continue on a high level

Europe: Some improvement in pricing; imports flat

*Source: SMR, October 2016
Gearing up after a challenging year

- Challenging past 12 months
- Strong customer relationships
- Continued low capital employed
- Improving cost position

### Long Products deliveries, 1,000 tonnes

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-Sep</th>
<th>Oct-Dec</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>205</td>
<td></td>
<td>248</td>
</tr>
<tr>
<td>2015</td>
<td>172</td>
<td>43</td>
<td>213</td>
</tr>
<tr>
<td>2016YTD</td>
<td>179</td>
<td></td>
<td>43</td>
</tr>
</tbody>
</table>

### Long Products underlying EBIT, EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>Full year</th>
<th>Jan-Sep</th>
<th>2014</th>
<th>2015</th>
<th>2016YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>32</td>
<td>41</td>
<td>205</td>
<td>213</td>
<td>172</td>
</tr>
<tr>
<td>2015</td>
<td>7</td>
<td></td>
<td>172</td>
<td>179</td>
<td>43</td>
</tr>
<tr>
<td>2016YTD</td>
<td>-7</td>
<td></td>
<td>179</td>
<td>172</td>
<td>43</td>
</tr>
</tbody>
</table>
Significant improvement in cost competitiveness

Long Products Cash Conversion Cost

Index (2015=100)

- 2015 YTD: 100
- 2016 YTD: 75

GBP/EUR exchange rate 2009-2016

Normalization of GBP/EUR
Top priorities for Long Products in 2017

- Safety
- High Performing Organization
- World Class Supply Chain
- Manufacturing Excellence
- Americas
- Commercial Excellence
Driving growth in Americas

Our target
• Grow sales of high value added products to key segments.
• Leverage existing relationships once oil & gas market resumes.

- Fittings & valves
- Automotive & aerospace
- Service centers
- Construction
Outokumpu supplying rebar to major bridge project in Kuwait

Project overview
Outokumpu Long Products is supplying more than 1,500 metric tons stainless steel rebar (Forta DX 2304) for the Sheikh Jaber al-Ahmad Al-Sabah project in Kuwait.

The 36 km long causeway project is one of the largest infrastructure projects to be constructed in the Gulf Coast Countries region. The Bridge is expected to be in service end of 2018.
Driving growth through Commercial Excellence

Our target
- Grow sales of high value added specialty products to most demanding customers.
- Leverage reduced cost base to gain further strategic semis customers.
Growing sales of special products

<table>
<thead>
<tr>
<th>Special products</th>
<th>Long Products product strategy overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Round Bar – special grades &amp; specification</td>
<td>![](Round Bar.png)</td>
</tr>
<tr>
<td>Square Bar</td>
<td><img src="Square.png" alt="" /></td>
</tr>
<tr>
<td>Hexagon Bar</td>
<td><img src="Hex.png" alt="" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Standard products</th>
<th>Prodec® &amp; Rebar</th>
<th>120%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Round Bar – Classic</td>
<td>![](Round Bar.png)</td>
<td>100%</td>
</tr>
</tbody>
</table>

Prodec® & Rebar

Prodec® Standard

Prodec® Flat

Prodec® Hex

Prodec® Square

Prodec® Special grades
Creating value through efficiency and specialization

- Take market share in standard products through enhanced cost position
- Grow in US with key customer segments through new capabilities and specialist know-how
- Grow high value added business in Europe through focus on special products
Improving profitability – debt declining

Christoph de la Camp
CFO
Best value creator in stainless steel by 2020 through customer orientation and efficiency

Initiation of must-win battles puts us on solid track to achieve EUR 500 million target

Short-term initiatives are yielding results

Strengthening of balance sheet remains as key priority
Short-term initiatives are yielding results

1. Streamlined organization effective
2. SG&A cost reduction by EUR 100 million ongoing
3. NWC reduction by at least EUR 200 million progressing well
Profitability in 2016 has already improved significantly.

Underlying EBIT, EUR million:

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>-377</td>
<td>-88</td>
<td>-101</td>
</tr>
</tbody>
</table>

9M/16 FY16 underlying EBIT expected to be clearly positive.

Strong cash flow improvement in 2016

Net cash from operating activities, EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>9M/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>-150</td>
<td>-126</td>
<td>-34</td>
<td>190</td>
</tr>
</tbody>
</table>

Solid underlying EBITDA

Net working capital release of EUR 149 million during 9M/16

Cash from investing activities supported by remainder of SKS disposal of EUR 66 million
Our must-win battles deliver EUR 500 million in 2020

Topline growth and cost efficiency based on self-help

**TOP LINE GROWTH**

- Increase volume through efficiency and debottlenecking
- Richer mix through improved capability and selective sales strategy
- Value based selling

**COST REDUCTION**

- Achieve 2-3% annual productivity improvement
- Achieve 15% savings in procurement
- Reduce variable and fixed cost
- Reduce SG&A cost by EUR 100 million

Improvement visible already in 2016
- Reduction in SG&A costs
- Profitability improvement in Americas

Strengthening of the balance sheet is under way

Targets

- **Net debt** EUR 1.2 billion by the end of 2017
- **Gearing** <35% by 2020
- **Net debt to underlying EBITDA** <2 by 2020
Stable and modest capex will support net debt reduction

Group CAPEX (accounting), EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>9M/16</th>
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<tbody>
<tr>
<td>EUR</td>
<td>183</td>
<td>127</td>
<td>154</td>
<td></td>
</tr>
</tbody>
</table>

FY 2016 ~ EUR 150 million

Ongoing development projects
- Debottlenecking of the Kemi mine EUR 10-20 million annually
- Fennovoima energy project EUR 10-20 million annually
- IT system renewal EUR 20-30 million annually

Maintenance
- EUR 70-80 million annually
Cost of financing to decline

Debt distribution by source, Sept. 30, 2016

Financing costs of approx. EUR 120 million in 2016 will be reduced going forward by

- Gross debt reduction
- Refinancing of more expensive debt
- Optimization of cash balances and undrawn liquidity facilities

Overall liquidity reserves at EUR 900 million
Short-term initiatives are yielding results

Initiation of must-win battles puts us on solid track to achieve EUR 500 million target

Strengthening of balance sheet remains as key priority

Financial recovery is under way