# Program

<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>13:15</td>
<td>Progress in Outokumpu turnaround</td>
<td>Mika Seitovirta, CEO</td>
</tr>
<tr>
<td>13:40</td>
<td>Coil Americas - Long-term potential intact</td>
<td>Jose Ramon Salas, Interim Head, Coil Americas</td>
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<tr>
<td>14:05</td>
<td>Coil EMEA – On track to sustainable profitability</td>
<td>Olli-Matti Saksi, President, Coil EMEA</td>
</tr>
<tr>
<td>14:30</td>
<td>Q&amp;A</td>
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<tr>
<td>14:55</td>
<td>Coffee break</td>
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<tr>
<td>15:15</td>
<td>Global stainless steel market update</td>
<td>Guest speaker: Markus Moll, SMR</td>
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<tr>
<td>15:45</td>
<td>New solutions for automotive industry</td>
<td>Pekka Erkkilä, CTO</td>
</tr>
<tr>
<td>16:10</td>
<td>Turnaround shows in gradually improving profitability</td>
<td>Reinhard Florey, CFO</td>
</tr>
<tr>
<td>16:35</td>
<td>Q&amp;A</td>
<td></td>
</tr>
<tr>
<td>17:15</td>
<td>Drinks &amp; dinner</td>
<td></td>
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</tbody>
</table>
Speakers

Mika Seitovirta
CEO
Mika Seitovirta has been Chairman of the Outokumpu Leadership Team since 2011. Before joining Outokumpu as the Chief Executive Officer in 2011, Mika has held several executive positions in both industrial and consumer sectors in companies such as Glaston and Volvo, and holds a number of board positions in international industry associations. He holds a masters degree in economics.

Jose Ramon Salas
Interim Head, Coil Americas
Jose Ramon Salas was appointed as the interim head of the business area Coil Americas in April 2015. Jose Ramon is also responsible for the businesses in Mexico and head of Outokumpu Mexinox and has successfully led Mexinox for several years.
Speakers

Olli-Matti Saksi
President, Coil EMEA
Olli-Matti Saksi has been a Member of the Outokumpu Leadership Team since 2014 and has joined Outokumpu in 2013. Olli-Matti has a wide work experience in sales and marketing from various companies in metal industry. He holds a master’s degree in engineering.

Markus Moll (guest speaker)
Managing Director, Steel & Metals Market Research, SMR
SMR is the market’s go-to source for business intelligence. Prior to starting SMR in 1994, he spent four years with Plansee, the world leader in refractory metals, and five years as a stainless steel market analyst with a German research firm. A mechanical engineer by training, he also holds a masters degree in business economics from the University of Innsbruck.
Speakers

Pekka Erkkilä
Chief Technology Officer
Pekka Erkkilä has 30 years’ experience in the stainless steel and mining industries. He is responsible for Outokumpu’s global production and technology strategy and capital investments optimization. He holds a master’s degree in physical metallurgy from Helsinki University of Technology.

Reinhard Florey
Chief Financial Officer
Reinhard Florey has been member of the Outokumpu Leadership Team since 2012. Before Outokumpu, he was the CFO of Inoxum and joined Outokumpu in 2012 when the merger was completed. He has extensive experience in financing and is responsible for finance and control, treasury and risk management, taxation, integration and M&A, corporate affairs and compliance, and investor relations. Reinhard holds a master’s degree in engineering and economics from Technical University Graz.
Disclaimer

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Progress in Outokumpu turnaround

Mika Seitovirta
CEO

May 27, 2015
1. Performance heading in right direction
2. Coil EMEA on track to sustainable profitability
3. Taking actions to get Coil Americas back on track
Outokumpu - Global leader in stainless steel

85% recycled content raw materials
Stainless steel is 100% recyclable

11,800 people in over 40 countries

Strong market position 1)
~30% Europe
~22% NAFTA
~1% Asia

~53% of sales is direct sales to end-customers 3)

Sales by business area 2)

Coil EMEA: 59%
Coil Americas: 16%
APAC: 6%
Quarto Plate: 6%
EMEA: 5%
Other: 20%

Consumer goods: 23%
Automotive: 19%
Architecture & Building: 6%
Chemical, petrochemical and energy: 22%
Metal processing: 5%
Heavy industries: 5%
Other: 5%

2) External sales, FY2014
3) Direct sales only ~53% of Outokumpu’s total sales in 2014
We have strong footprint in all key markets

- Shanghai
- Tornio
- Kemi
- Degerfors
- Avesta
- Nyby
- Krefeld & Benrath
- Dillenburg
- Dahlerbrück
- Bochum
- Calvert
- Degerfors
- Sheffield
- New Castle
- Wildwood
- Richburg
- San Luis Potosí
- Integrated melt shop, hot and cold rolling
- Other mills
- Mine
- To be closed
- Service center

5/27/2015
Performance heading in right direction

### Group underlying EBIT, EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>-82</td>
<td>-87</td>
<td>-90</td>
<td>-9</td>
</tr>
<tr>
<td>-45</td>
<td>-6</td>
<td>-28</td>
<td>2</td>
</tr>
</tbody>
</table>

### Group key figures, EUR million

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>Q1/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries, kt</td>
<td>2,585</td>
<td>2,554</td>
<td>620</td>
</tr>
<tr>
<td>Sales</td>
<td>6,745</td>
<td>6,844</td>
<td>1,768</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>-377</td>
<td>-88</td>
<td>2</td>
</tr>
<tr>
<td>Net result</td>
<td>-1,003</td>
<td>-439</td>
<td>-45</td>
</tr>
<tr>
<td>Net cash from operations</td>
<td>34</td>
<td>-126</td>
<td>-62</td>
</tr>
<tr>
<td>Total assets</td>
<td>8,823</td>
<td>6,411</td>
<td>6,889</td>
</tr>
</tbody>
</table>
## Delivering on Outokumpu turnaround

<table>
<thead>
<tr>
<th></th>
<th>Synergy and efficiency programs – proceeding ahead of plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>EMEA restructuring – continues on track, next Bochum closure in June</td>
</tr>
<tr>
<td>3</td>
<td>Calvert ramp-up – long-term potential intact, decisively addressing short-term challenges</td>
</tr>
<tr>
<td>4</td>
<td>Remedy solved &amp; extensive financial arrangements resulting in significantly stronger balance sheet</td>
</tr>
<tr>
<td>5</td>
<td>Working capital management and capex – new standards set/applied</td>
</tr>
<tr>
<td>6</td>
<td>New leadership and BA structure with stronger commercial focus</td>
</tr>
</tbody>
</table>
Continued demand growth for stainless steel globally

Data source: SMR, April 2015
Real demand for total stainless steel (rolled & forged products, excl. 13Cr tubes, profiles)
Supply/demand balance remains a key

### Asia

<table>
<thead>
<tr>
<th>Year</th>
<th>Demand covered by Rest Asia</th>
<th>Demand covered by China</th>
<th>CRU Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>7.8</td>
<td>14.8</td>
<td>21.1</td>
</tr>
<tr>
<td>2011</td>
<td>8.5</td>
<td>15.9</td>
<td>23.6</td>
</tr>
<tr>
<td>2012</td>
<td>9.9</td>
<td>15.2</td>
<td>24.6</td>
</tr>
<tr>
<td>2013</td>
<td>11.2</td>
<td>16.7</td>
<td>24.9</td>
</tr>
<tr>
<td>2014f</td>
<td>12.2</td>
<td>18.8</td>
<td>23.6</td>
</tr>
<tr>
<td>2015f</td>
<td>12.9</td>
<td>20.0</td>
<td>24.6</td>
</tr>
<tr>
<td>2016f</td>
<td>13.8</td>
<td>21.1</td>
<td>24.9</td>
</tr>
<tr>
<td>2017f</td>
<td>14.6</td>
<td>22.0</td>
<td>25.3</td>
</tr>
</tbody>
</table>

### Europe

<table>
<thead>
<tr>
<th>Year</th>
<th>Demand covered by Rest Asia</th>
<th>Demand covered by China</th>
<th>Demand covered by Imports</th>
<th>Demand covered by EU Mills</th>
<th>CRU Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>3.2</td>
<td>2.7</td>
<td>0.5</td>
<td>0.9</td>
<td>4.9</td>
</tr>
<tr>
<td>2011</td>
<td>3.5</td>
<td>2.9</td>
<td>0.6</td>
<td>0.9</td>
<td>4.8</td>
</tr>
<tr>
<td>2012</td>
<td>3.5</td>
<td>2.9</td>
<td>0.6</td>
<td>0.9</td>
<td>4.7</td>
</tr>
<tr>
<td>2013</td>
<td>3.5</td>
<td>2.8</td>
<td>0.7</td>
<td>0.9</td>
<td>4.7</td>
</tr>
<tr>
<td>2014f</td>
<td>3.7</td>
<td>2.6</td>
<td>1.0</td>
<td>1.0</td>
<td>4.5</td>
</tr>
<tr>
<td>2015f</td>
<td>3.8</td>
<td>2.8</td>
<td>0.9</td>
<td>1.0</td>
<td>4.4</td>
</tr>
<tr>
<td>2016f</td>
<td>3.9</td>
<td>2.9</td>
<td>1.0</td>
<td>1.0</td>
<td>4.4</td>
</tr>
<tr>
<td>2017f</td>
<td>3.9</td>
<td>2.9</td>
<td>1.0</td>
<td>1.0</td>
<td>4.4</td>
</tr>
</tbody>
</table>

### Americas

<table>
<thead>
<tr>
<th>Year</th>
<th>Demand covered by Rest Americas</th>
<th>Demand covered by USA</th>
<th>Demand covered by China</th>
<th>CRU Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1.7</td>
<td>4.9</td>
<td>3.2</td>
<td>7.8</td>
</tr>
<tr>
<td>2011</td>
<td>2.1</td>
<td>4.8</td>
<td>3.5</td>
<td>8.5</td>
</tr>
<tr>
<td>2012</td>
<td>2.3</td>
<td>4.8</td>
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<td>9.9</td>
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<tr>
<td>2013</td>
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<td>2014f</td>
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<td>2016f</td>
<td>2.7</td>
<td>4.4</td>
<td>3.9</td>
<td>13.8</td>
</tr>
<tr>
<td>2017f</td>
<td>2.7</td>
<td>4.4</td>
<td>3.9</td>
<td>14.6</td>
</tr>
</tbody>
</table>

Source: SMR real demand February 2015; CRU capacity February 2015
Eurofer imports April 2015, Outokumpu estimates
Base prices slightly increasing in Europe, but declining in the US

European base prices, EUR/t ¹)

US base prices, USD/t ¹)

Source: CRU May 2015
1) 2mm sheet cold rolled 304 grade
Stainless steel imports to Europe ease in Q1/15
Asian import pressure to US remains high

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

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

Source: Foreign Trade Statistics May 2015
*SMR CR apparent consumption February 2015
Unbalanced trade flows
High pressure to export Asian overcapacities to other regions

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

Game changers:
- EU antidumping case
- Nickel ore ban
- Possible US antidumping

Trade flows between Europe and NAFTA have stabilized but the problem of Asian overcapacity persists. There is increasing pressure to export Asian overcapacities to other regions like Europe and NAFTA.

Source: Foreign trade statistics May 2015
Efficiency programs progressing according to plan

Cumulative total savings, EUR million

Cash release from NWC, EUR million
Target to reduce global headcount by 3,500 until 2017

Total headcount reduction 1)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Q1/15</th>
<th>To come</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>13,327</td>
<td>766</td>
<td>436</td>
<td>301</td>
<td>1,974</td>
<td>9,850</td>
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Productivity development

<table>
<thead>
<tr>
<th></th>
<th>Employees</th>
<th>Deliveries, kt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>14,000</td>
<td>900</td>
</tr>
<tr>
<td>2014</td>
<td>12,500</td>
<td>600</td>
</tr>
<tr>
<td>2015</td>
<td>11,000</td>
<td>300</td>
</tr>
<tr>
<td>To come</td>
<td>9,500</td>
<td>0</td>
</tr>
</tbody>
</table>

1) 2012: Total Group excl. OSTP, Terni remedy assets, VDM, certain service centers (Willich initial remedy headcount)
EMEA continues on track
Restructuring progressing, opportunities in markets

Current status
• Restructuring of the industrial set up progressing well
• Focus on higher margin products pays off
• Underlying EBIT improvement of EUR 289 million in 2014
• Solid performance in Q1/2015

Next steps
• Bochum and Benrath closure, Krefeld investment
• Headcount reductions continue
• EMEA restructuring savings of EUR 100 million visible in 2017
• Preparing to seize the market opportunities

Targets
• Competitive cost structure and higher capacity utilization
• Clear roles in production and customer interface
• Stronger commercial focus
• Further improvement in earnings and efficiency
Coil Americas facing headwinds

Challenges
- Asian imports into Americas high
- Weak demand from distributor segment
- Delivery challenges impacting order intake

Result
- Underlying EBIT deteriorated to EUR -28 million in Q1
- FY15 delivery outlook revised down to about 540 kt

Actions
- Strengthened top management focus on Americas
- Jose Ramon Salas as Interim Head of BA
- Dedicated task force established
Coil Americas development into full potential continues

**Current status**

- Technical ramp-up in Calvert completed
- Cold rolling issues solved
- Limited visibility on market recovery
- Q2 expected to have weaker volumes and profitability vs Q1 in 2015

**Next steps**

- Getting back on track in challenging market
- Active dialogue with the customers
- Production optimization and efficiency enhancement
- Maximize synergies between Calvert and Mexinox

**Targets**

- Full capability available in 2-3 years
- Improving profitability and cash flows
- Strong market share
- Efficient production and cost structure
- Attractive long-term returns
Step change in Quarto Plate profitability

Current status
- EUR 100 million investment in Degerfors ready
- EUR -30 million underlying EBIT in 2014 due to high raw material and ramp-up costs
- Break-even reached in Q1/2015

Next steps
- Increase sales in both standard and custom made plate
- Higher volumes in Degerfors from 75 kt in 2014 to 95 kt in 2015
- Cost streamlining

Targets
- Degerfors towards full capacity within two years
- Improvement in profitability and higher efficiency
Debt reduction is a priority: targeting below EUR 1.5 billion net debt by the end of 2017.

Net debt and gearing, EUR million and %

- Net debt reduced from EUR 3.5 billion to below EUR 2 billion in 2014.
- Target to push net debt below EUR 1.5 billion by the end of 2017.
- Strengthened and deleveraged balance sheet as well as enhanced liquidity enabling Outokumpu to execute its turnaround to profitability.
Favorable demand outlook in key customer segments

<table>
<thead>
<tr>
<th>End-use industry groups</th>
<th>Route to market</th>
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</thead>
<tbody>
<tr>
<td><strong>Architecture &amp; Building</strong></td>
<td><strong>Distributors</strong></td>
</tr>
<tr>
<td>Market size: 4.594 kt Growth rate: 6%</td>
<td></td>
</tr>
<tr>
<td><strong>Chemical &amp; Energy</strong></td>
<td><strong>Spot/contract business</strong></td>
</tr>
<tr>
<td>Market size: 4.599 kt Growth rate: 4%</td>
<td></td>
</tr>
<tr>
<td><strong>Domestic Appliance</strong></td>
<td><strong>Tubes &amp; Metal Process.</strong></td>
</tr>
<tr>
<td>Market size: 15.977 kt Growth rate: 5%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project/contract business</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Heating &amp; Cooling</strong></td>
<td></td>
</tr>
<tr>
<td>Market size: 283 kt Growth rate: 4%</td>
<td></td>
</tr>
<tr>
<td><strong>Automotive &amp; Transport</strong></td>
<td></td>
</tr>
<tr>
<td>Market size: 3.499 kt Growth rate: 4%</td>
<td></td>
</tr>
<tr>
<td><strong>Heavy Industry</strong></td>
<td></td>
</tr>
<tr>
<td>Market size: 1.608 kt Growth rate: 5%</td>
<td></td>
</tr>
</tbody>
</table>

Market sizes: European real demand 2014, Flat products
Growth rates: CAGR 2014-2017
Source: SMR February 2015
Customer satisfaction drivers

- Product quality
- Delivery reliability
- Commercial terms
- Easy to deal with
- Technical expertise
- Other
Introducing renewed product portfolio

By grouping our products into ranges based on performance, we aim to make choosing the best product for your application easier.
We are moving forward towards sustainable profitability

Industry leading foundation with competitive cost structures

Execution of the turnaround continues: profitability, cash, financial stability

Customer and operational excellence

Focus on shareholder value
Coil Americas – Long-term potential intact

Jose Ramon Salas
Interim Head
Coil Americas

May 27, 2015
1. Established market presence with long-term customer relationships in Americas
2. Focus on getting back on track in challenging market
3. Coil Americas’ long-term potential is intact
Established market presence with long-term customer relationships in Americas

- Coil Americas represents 16% \(^1\) of Group sales
- Market share of approx. 22% \(^2\) in NAFTA region
- Experienced sales team
- Strong brand in the market and widest product range in NAFTA

Coil Americas, capacities

<table>
<thead>
<tr>
<th></th>
<th>Calvert</th>
<th>Mexinox</th>
</tr>
</thead>
<tbody>
<tr>
<td>Melting</td>
<td>900</td>
<td></td>
</tr>
<tr>
<td>Hot rolling</td>
<td>870</td>
<td></td>
</tr>
<tr>
<td>Cold rolling</td>
<td>350</td>
<td>250</td>
</tr>
</tbody>
</table>

Source: SMR Real Demand February 2015, Total stainless= rolled & forged
1) Outokumpu sales, continuous mill plate
2) Market shares 2014 are calculated based on cold rolled deliveries.
Phasing of the Calvert mill ramp-up

- All production steps tested and capabilities proven
- Stabilize production
- Complete product offering
- Improve efficiencies

- Ramp-up to full production capacity and mix optimization
- Maximize synergies of Mexinox & Calvert
- Market penetration and margin improvement
Deliveries have been growing
Currently seeing 6-12 month delay in commercial ramp-up

Coil Americas quarterly deliveries, kt

Annual deliveries and forecast, kt

40 kt lost due to technical issues

Revised down by 80 kt due to weak order intake

465 541 620 540 750

Profitability improved significantly in 2014

- Significant improvement in profitability 2013 vs. 2014 (-262 to -82 in EBIT excl. NRI)

- Disappointing earnings in Q1/15 impacted by
  - Lower contribution margin from suboptimal product mix
  - High operative cost in Calvert
  - USD/EUR currency translation impact

- Q2/15 estimated to have weaker profitability vs Q1 driven mostly by lower volumes
Deep-dive into Coil Americas

Market environment

Commerical approach

Operations
Growing along with the market

NAFTA cold rolled market size (kt) and Outokumpu market share

Source: AISI May 2015, SMR February 2015, Outokumpu
Development of US stainless steel prices

Transaction prices 304 stainless steel*, USD/t

Base prices 304 stainless steel*, USD/t


* 2mm sheet cold rolled 304 grade
Cold rolled import development

US cold rolled imports, kt

Imports from rest of world
Imports from Europe
Imports from Asia
China import penetration %
Taiwan import penetration %
Total import market penetration %

Source: Foreign Trade Statistics May 2015
Import market penetration calculated from total market supply (AISI May 2015)
Imports affecting strongest the service centers*

CR market in the US, total 1.64 mt

- Supplied by domestic mills: 76%
- Imports: 24%

Outokumpu market share ~18%

CR service center market in the US, total 1.07 mt

- Supplied by domestic mills: 70%
- Imports: 30%

Outokumpu market share ~24%

Sources: AISI 2014, the US Department of Commerce, and OTK estimates
* Service center market in the US ie. distributor segment
US cold rolled market composition

Cold rolled market in the US, total 1.64 mt

- Service Center (Stock): 43%
- Service Center (Bill of Material): 23%
- Automotive: 20%
- Pipe&Tube: 6%
- Appliance: 5%
- OEM: 3%
- Conversion: 0.3%

Source: AISI, 2014
Coil Americas market approach

Our channel structure in the Americas

Distributors: 61%
End users & processors: 39%

USA: distributors 75%, end-users 25%
Mexico: distributors 25%, end-users 75%

Sales by end-use customer segments, Q1/15

Consumer goods & Medical: 29%
Automotive: 7%
Architecture, Building & Construction: 2%
Metal processing & Tubes: 18%
Heavy industries: 5%
Other: 39%
Outokumpu customer profile in NAFTA

2nd tier distributors

- ~10% of OTK volume

1st tier distributors

- ~50% of OTK volume

End customers

- ~40% of OTK volume

Our customers include:

- Samuel
- ThyssenKrupp Materials
- Reliance Group
- Ryerson
- O’Neal
- Olympic
- Ta Chen
- Whirlpool
- EHP
- Faurecia
- Fischer
- Casa de Moneda
- Specialty Rolled Metals

Demand from distributor segment currently weak due to low nickel price and elevated stock levels
### Demand outlook across end-user industries remains solid

<table>
<thead>
<tr>
<th>Sector</th>
<th>Market size, kt</th>
<th>SMR growth outlook 2015-2017</th>
<th>Market drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>659</td>
<td>2%</td>
<td>Consumer confidence, regulatory changes, light-weight material</td>
</tr>
<tr>
<td>Household/Commercial appliance appliance</td>
<td>624</td>
<td>3%</td>
<td>Consumer confidence, disposable income, aesthetics, hygiene requirements, durability</td>
</tr>
<tr>
<td>Catering/food and drinks</td>
<td>326</td>
<td>3%</td>
<td>Consumer confidence, hygiene requirements, durability</td>
</tr>
<tr>
<td>Sinks and hood</td>
<td>144</td>
<td>4%</td>
<td>Consumer confidence, housing starts</td>
</tr>
<tr>
<td>Heavy transport</td>
<td>130</td>
<td>4%</td>
<td>Safety, durability, light-weight, life-cycle costs</td>
</tr>
<tr>
<td>Others</td>
<td>375</td>
<td>5%</td>
<td>GDP growth, industrial investments, general stainless demand drivers</td>
</tr>
</tbody>
</table>

Others: Elevators, HVAC, Oil & Gas, Renewable Energy, Water Treatment, etc.
Source: SMR February 2015
Synergies through optimized work share

**Mexinox**
- **Regional**
  - Main focus on Mexico (~50%) cross regional supply when
  - lack of capabilities of local mill
  - production cost advantages
- **Product specialization**
  - Automotive ferritics
  - Medium & light gauges
  - Bright Annealed/Rolled-On/Polished
  - Blanks & Circles

**Calvert**
- **Regional**
  - Main focus on the US (~70%)
- **Product specialization**
  - Austenitics
  - 72" wide
  - Polished
  - Continuous mill plate

- Chicago sales office
- Sao Paulo sales office
- Buenos Aires sales office
Calvert ramp-up update

Calvert quarterly delivery volumes, kt

Production in melt shop and cold rolling showing good quality
All CR lines back in operations since end 2014

Calvert production capacity

- Melt shop: 900 kt
- Hot rolling: 870 kt
- Cold rolling: 350 kt
Key areas for further optimization

- Delivery performance
- Product portfolio expansion
  - Light gauge
  - 430 polished
- Optimized loading
- Yield improvements
- Right first time
- Scrap ratio
Achieving operational excellence in scrap ratio in Calvert melt shop

- Slab production on optimized raw material levels
- Flexibility in raw material usage
- Running on highest scrap mix and lowest pure nickel consumption within Outokumpu
Taking advantage of fully integrated mill

- Calvert melt shop is developing new grades to match customer demand
- Successful trials of new steel grades such as 2205, 301 LN, 201 LN
- Calvert melt shop can supply raw material feed to all Outokumpu businesses in the NAFTA region
- Quality certification to both NAFTA and soon also Europe
Highly cost competitive operations in Calvert

Cost components

- **Raw materials**
  - Scrap ratio of 80-85%
  - Annual austenitic scrap usage of ~400 kt

- **Energy**
  - Long-term contracts with Alabama Power and Sempra Gas

- **Labor**
  - Highly competitive labor costs
  - Workforce versatility

- **Others**
  - Freight, maintenance and rents and leases
Building on existing strengths

- Strong regional producer with long-term customer relationships in Americas
- Integrated, cost competitive operations across NAFTA
- Broad portfolio that supports and develops local demand
- Leveraging Outokumpu’s leading technical expertise
Coil EMEA – On track to sustainable profitability

Olli-Matti Saksi
President
Coil EMEA

May 27, 2015
1. We have right assets in right place
2. Efficiency measures start to show in improved profitability
3. Competitive business model to capture opportunities in stainless steel
We have the right assets in the right place

- Coil EMEA is the largest of the five business areas – 59% of sales
- About 30% market share in Europe
- Comprehensive service center network in Europe
- Own chrome mine and ferrochrome production

**Coil EMEA, capacities (Kt)**

<table>
<thead>
<tr>
<th></th>
<th>Tornio</th>
<th>Avesta</th>
<th>Krefeld</th>
<th>Nyby</th>
</tr>
</thead>
<tbody>
<tr>
<td>Melting</td>
<td>1,450</td>
<td>450</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hot rolling</td>
<td>1,450</td>
<td>900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cold rolling</td>
<td>900</td>
<td>170</td>
<td>500</td>
<td>80</td>
</tr>
</tbody>
</table>

1) Outokumpu sales
2) Market shares 2014 calculated based on cold rolled deliveries. Source: Eurofer January 2015
Map: Bochum to be closed in 2015, Benrath to be closed in 2016
Balanced customer base across both investment and consumer driven industries

Sales by customer segment ¹)

- End users & processors: 59%
- Distributors: 41%
- Other: 5%

Sales by end-customer segment ¹)

- Automotive: 25%
- Heavy industries: 23%
- Metal processing & Tubes: 18%
- Chemical, petrochemical Building & Construction: 5%
- Architecture, Medical: 19%
- Other: 5%

¹) Coil EMEA sales Q1/2015
Efficiency measures start to show in improved financial performance

Quarterly deliveries, kt

Quarterly EBIT, EUR million

EBIT excl NRI

Underlying EBIT
Shaping an competitive business model to capture opportunities in stainless steel

- Rightsizing of capacity
- Operational efficiency
- Commercial focus
Next milestone the closure of Bochum melt shop

Bochum production volumes, kt

Volume tests completed successfully

Bochum to be closed in June
Also other parts of the EMEA restructuring moving ahead

- Bochum closure
- Benrath to be closed in 2016 reducing cold rolling capacity by approx. 250,000 tonnes
- Krefeld cold rolling facility to be redesigned. Capex of EUR 108 million in 2014-2016 in ferritics
- Further capacity and service center optimization

EMEA restructuring savings of EUR 100 million by the end of 2017
Reducing personnel to ensure competitive cost structure

~1,300 jobs reduced to date

~1,200 jobs to be reduced by end-2017

Total of 2,500 jobs reduced by end of 2017

2012 To date Bochum Benrath Other E100 Other 2017

1,300 300 270 230 400 500
Savings of EUR 131 million since 2012 in Coil EMEA

Total cumulative savings vs. 2012 (EUR million)

EMEA restructuring savings by measure and cost type
Total 2017: EUR 100 million

EMEA restructuring savings by cost type
Total 2017: EUR 100 million

1) BA level synergies do not include group level procurement and raw material synergies
Operational efficiency improvements to drive competitiveness further

- Capacity utilization rates improving in Tornio and Avesta melt shops
- Further cold rolling utilization improvements targeted
- Targeting >90% utilization in melting and >85% in cold rolling
- Efficient supply chain management processes linked to tight inventory targets

<table>
<thead>
<tr>
<th>Capacity utilization</th>
<th>Operational efficiency metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Delivery performance</td>
</tr>
<tr>
<td></td>
<td>Right first time</td>
</tr>
<tr>
<td></td>
<td>Yield</td>
</tr>
<tr>
<td></td>
<td>Scrap ratio</td>
</tr>
</tbody>
</table>
Competitive advantage with in-house ferrochrome production

Ferrochrome production, kt

Outokumpu Ferrochrome cost position in 2015*, USD/lb

*Source: CRU ferrochrome cost service, December 2014
Streamlining of the asset base enable delivery mix improvements

Coil EMEA delivery mix in 2013

- Slabs: 61%
- Black hot band: 14%
- White hot band: 20%

Coil EMEA delivery mix in 2014

- Slabs: 72%
- Black hot band: 4%
- White hot band: 20%
Sharpening our business line profiles

<table>
<thead>
<tr>
<th>Product portfolio</th>
<th>Tornio</th>
<th>Nirosta</th>
<th>Avesta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Competitive Focus</td>
<td>Standard</td>
<td>Special gauges and surfaces</td>
<td>Individual grades</td>
</tr>
<tr>
<td>Logistics Process</td>
<td>Speed &amp; Low Costs</td>
<td>Accuracy &amp; long-term partnerships</td>
<td>Sustainability &amp; technical expertise</td>
</tr>
<tr>
<td>Product Characteristic</td>
<td>Short lead-time</td>
<td>Just in time</td>
<td>Standard</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ordering and sales orientation</th>
<th>Introduce eSelling</th>
<th>Visits &amp; sales with technical experience</th>
<th>Visits &amp; sales with technical experience</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Industry Segments</th>
<th>Distributor</th>
<th>A&amp;B</th>
<th>Chemical &amp; Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto (exhaust)</td>
<td>Domestic Appliance</td>
<td>Heating &amp; Cooling</td>
<td></td>
</tr>
<tr>
<td>Product differentiation</td>
<td>Metal P.</td>
<td></td>
<td>Heavy Industry</td>
</tr>
</tbody>
</table>

5/27/2015 64
Demand outlook across customer industries is healthy

<table>
<thead>
<tr>
<th>Sector</th>
<th>Market size, kt</th>
<th>SMR growth outlook 2015-2017</th>
<th>Market drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architecture &amp; Building</td>
<td>819</td>
<td>2%</td>
<td>GDP growth, urbanization, corrosion resistance, aesthetics, life-cycle costs</td>
</tr>
<tr>
<td>Chemical &amp; Energy</td>
<td>881</td>
<td>3%</td>
<td>GDP growth, industrial investments, oil price, corrosion resistance</td>
</tr>
<tr>
<td>Domestic Appliance</td>
<td>2,139</td>
<td>1%</td>
<td>Consumer confidence, disposable income, aesthetics, hygiene requirements, durability</td>
</tr>
<tr>
<td>Heating &amp; Cooling</td>
<td>69</td>
<td>2%</td>
<td>HCV industry spend, corrosion resistance, durability</td>
</tr>
<tr>
<td>Automotive &amp; Transport</td>
<td>679</td>
<td>2%</td>
<td>Consumer confidence, emission regulation, safety requirements</td>
</tr>
<tr>
<td>Heavy Industry</td>
<td>271</td>
<td>2%</td>
<td>GDP growth, industrial investments, maintenance capex, corrosion resistance</td>
</tr>
</tbody>
</table>

Others: Elevators, HVAC, Oil & Gas, Renewable Energy, Water Treatment, etc.
Source: SMR February 2015
Our positioning in key strategic segments

1) In R&D mode
Gap between overcapacities and demand in Europe is decreasing

Demand and capacity, mt

Source: Cold rolled demand: SMR February 2015, Cold rolled capacities: CRU February 2015
Development of EU stainless steel prices

Transaction prices 304 stainless steel, EUR/t*

Base prices 304 stainless steel, 1) EUR/t


* 2mm sheet cold rolled 304 grade
EU cold rolled imports from China and Taiwan have been strongly declining in Q1 2015.
Timeline of the European Commission investigation on antidumping

- **May 13**: Eurofer files an antidumping complaint to European Commission
- **August 14**: Separate anti-subsidy investigation on CR imports from China
- **March 25**: European Commission announcement on provisional duties: China 24-25%, Taiwan 10-12%. Effective March 26
- **June 26**: European Commission starts investigation on CR imports from China and Taiwan
- **December 15**: Regulation making CR imports from China/Taiwan subject to registration from Dec. 17
- **September**: Definitive decision on antidumping duties expected
Impacts of the EU antidumping measures expected only after definite decision

- **Cold rolled volume**: Opens room for EU producers and other imports
- **Cold rolled price**: Opportunities for price increases for spot and contract business
- **Hot rolled price**: Price pressure on hot rolled stainless steel
- **Scrap discounts**: Additional stainless scrap demand creates pressure on scrap discounts

**Outokumpu seizing the new market opportunities**
- Tornio AP-line back online, adding capacity by 5,000 t/month
- Reallocating sales volumes from less profitable areas to EU

**Further potential**
- Productivity improvement
- Adding shifts in cold rolling mills
- Sourcing from Calvert and Sheffield
Coil EMEA priorities are clear

**Restructuring of the industrial footprint**
- Implement the industrial plan and restructure the footprint progressing well
- Specialization of the mills for higher efficiency
- Capacity utilization of >90% in melting and >85% in CR when finalized
- Competitive cost structure: Cost savings of >EUR 240 million by 2017

**Profitable growth**
- Commitment to profitable sales
- Reinforce market position in key regions, including Germany
- Higher margin products and customers; shift in mix
- Active pricing
- Sizing the new market opportunities
On track to sustainable profitability

Right assets in right place

Balanced customer base

Efficiency measures showing in improved profitability

Competitive business model to capture opportunities
Global stainless steel market update

Markus Moll, Managing Director
SMR – Steel & Metals Market Research

May 27, 2015
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5. Outlook
Global Stainless Steel – a story of success
China counts now for almost 50 % of the worldmarket!

CAGR – World
5 % p.a.

CAGR – China:
+15 % p.a.

CAGR – Rest of the World:
+4 % p.a.

CAGR – ROW
+2 % p.a.

* finished products, excl. Tube & Pipe

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Global Stainless Steel Products 2014p in ‘000 metric t

The Total Stainless Steel Production increased by 8% in 2014p.

Production Change 2014p

Long Products

Flat Products

<table>
<thead>
<tr>
<th>All Products</th>
<th>Total World:</th>
<th>Share:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude Steel</td>
<td>44,620</td>
<td>88%</td>
</tr>
<tr>
<td>Total World:</td>
<td>39,120</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Long Products</th>
<th>Total World:</th>
<th>Share:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total World:</td>
<td>7,170</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Flat Products</th>
<th>Total World:</th>
<th>Share:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total World:</td>
<td>31,950</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cr PMP****</th>
<th>Total World:</th>
<th>4,260</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRC***</td>
<td>Total World:</td>
<td>20,520</td>
</tr>
<tr>
<td>Wire Rod</td>
<td>Total World:</td>
<td>2,180</td>
</tr>
<tr>
<td>CR Flat*</td>
<td>Total World:</td>
<td>25,430</td>
</tr>
<tr>
<td>CR Strip</td>
<td>Total World:</td>
<td>660</td>
</tr>
<tr>
<td>Precision Strip</td>
<td>Total World:</td>
<td>4,170</td>
</tr>
<tr>
<td>CR Sheet</td>
<td>Total World:</td>
<td>20,520</td>
</tr>
<tr>
<td>Tube &amp; Pipe</td>
<td>Total World:</td>
<td>3,700</td>
</tr>
<tr>
<td>Welded Tube &amp; Pipe</td>
<td>Total World:</td>
<td>1,350</td>
</tr>
</tbody>
</table>

* incl. non-Industrial O/Mn steels
** excl. 13 Cr OCTG
*** excl. CRR to reporting companies
**** incl. ‘rolled slab’
1) incl. sub-standard products in Tube & Pipe in China

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‘Top 25’ Global Stainless Steel Producers 2014 (est. volumes)

There is a new No. 1!

18 of Top 25 are Asian!

* incl. Fujian Desheng
** incl. 13CrOCTG
*** incl. Southwest Stainless
**** incl. NTK
Global Historic Stainless Steel Enduser Price
CR Sheet - 304 & 316 - 2mm - 2B, Ex-Stock

[Graph showing price history with Europe, America, and Asia lines]

April '15:
Asia ~ 120 $/t higher than Europe
& ~ 280 $/t below US
Key takeaways from Raw Materials

✓ **Nickel**
The stainless market weakness in China has so far prevented a Ni shortage there. However, Indonesian ore stocks (high grade) depleted and NPI production will fall in HY2. Thus, Chinese STS mills will have to find new Ni sources soon.

✓ **Chrome**
The continuous weak market fundamentals in China plus the rampup of ENRC’s new furnaces in Kazhakstan will keep this market well supplied in 2015.

✓ **Molybdenum**
The weak demand for Mo stainless grades and the slump in the oil industry depress demand. At the same time the ramp up of Sierra Gorda (Cu by-product, Chile) brings the market to oversupply.

✓ **Stainless Scrap**
Ni discounts are almost at record levels which will only change if/when China returns to the global stainless scrap market as a buyer.
Chinese NPI Advantage over Stainless Scrap

NPI has lost its cost advantage over stainless steel scrap...
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Effects of the AD Case in Europe

*In the long run, Imports will return to - or exceed - pre- AD levels, even without China and Taiwan*

In the long run, Imports will return to - or exceed - pre- AD levels, even without China and Taiwan. The imports from Taiwan and China will almost disappear. There is approx. still 200 kt of Taiwanese and Chinese Material on Stock.

The EU mills will +200 kt in 2015 and stagnate in 2016 when the de-stocking comes to an end.

Assumptions:
- Mkt G.R. 4% (*'15) / 3% (‘16)
- Taiwan decides to withdraw
- €/US$ < 1,10

Imports from Taiwan and China will almost disappear.

The EU mills will +200 kt in 2015 and stagnate in 2016 when the de-stocking comes to an end.
**Impact of Weak € and Weak Oil Price – Europe**

*Structural Growth and Weak € compensates for Loses (due to Low Oil Prices)*

<table>
<thead>
<tr>
<th>Market Growth 2016 VS 2014:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural</td>
<td>+210 kt (+4%)</td>
</tr>
<tr>
<td>Weak €</td>
<td>+150 kt (+2,5)</td>
</tr>
<tr>
<td>Oil Price: Flat</td>
<td>- 80 kt (-1,5%)</td>
</tr>
<tr>
<td>Total</td>
<td>+280 kt (+5%)</td>
</tr>
</tbody>
</table>

### Graph:

**Demand (FP + LP) [’000 tons]**

- **2014**
  - Structural Growth
  - Weak €: Imports
  - Weak €: Exports
  - Oil Price: Flat
  - Oil Price: Long

**2016**

- +5%
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Historical Incorporated Worldwide Rig Count

The graph speaks for itself

Source: Baker Hughes
Capex Reduction at Energy Companies

Due to the Oil Price Slump Companies are reducing their CapEx by up to 32% in 2015
Oil Price Linked Projects at Risk

Many Projects under construction or pre-sanction are not economic at current price levels

*Status: May 4, 2015
Source: Goldman Sachs Global Investment Research estimate
Impact of the Oil Price Slump on the global STS Market by Product

Long products are more exposed than flat products

[Exposure to Oil and Gas]

Seamless Tube
Forged
PMP
HRC
Welded Tube
Bars / Wire
CRC

[Importance for the STS Industry / Scale not linear]

uncritical

low

medium

high

critical

very critical
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Mexico has become the North American ‘Tiger’
Impact of Strong $ and Weak Oil Price – NAFTA

Strong USD and Low Oil Prices could lead in the Worst Case to almost no Growth between 2014 and 2016

Market Growth 2016 VS 2014:

- Structural: +175 kt (+5.7%)
- Weak €: -100 kt (-3.2%)
- Oil Price: -75 kt (-2.5%)
- Total: +0 kt (+0%)

Potential Upsides:

- Lower Oil price → higher consumer spending
- Lower Oil Price → higher down stream profits → increased spending in petro chemicals
- Lower Oil Price → Bigger Cars → More Stainless
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Global Stainless Steel by End Use Segment

Market 2014p: 37 mill. t

- Consumer Goods 47%
- Chemical / Petrochemical & Energy 17%
- Automotive & Heavy Transport 15%
- Industrial & Heavy Industry 8%
- BC & Infrastructure 6%
- Others 3%
- ABC & Infrastructure 15%
- Industrial & Heavy Industry 8%
- Others 3%
- Others 3%

Use Segment

+ Recovery in Pulp and Paper
+ Seawater Desalination

+ Water Infrastructure
+ Swimming Pools
+ Glass to Metal Systems
+ Thermal Insulation Windows
- Elevators

+ Truck exhaust systems
+ Stainless Fuel Lines and Sensors
+ New (high grade) engine valve materials

+ Appliances
+ High Quality Cookware
+ Bakery Equipment
- Kitchen surfaces
- Sinks

+ Seated Factory Equipment (O&G)
+ Increased Downstream Investments
- Slump in Upstream Investments
- Continuous weak Powergen

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Forecasted Growth in EMEA, Americas & APAC

APAC will remain the growth driver and Europe could turn negative in the long term
Stock levels...  
... *are on the rise*

Stock Level Index [2007 = 100%]

- United States
- Germany (Flat Products)
- Japan
- China*  

*China Average 2008 = 100%*
Any Questions?
New solutions for automotive industry

Pekka Erkkilä
Chief Technology Officer

May 27, 2015
Outokumpu is the leading innovator in stainless steel

We develop sustainable stainless steel solutions for our customers

- Very long life-cycle
- 100% recyclable
- Nearly non-existent environmental impacts

We continuously develop our product portfolio and product quality

- Several new stainless steel grades introduced
- Extensive patent portfolio
- Superior product quality

We improve cost and environmental efficiency of our production processes

- Recovery of waste heat
- Improved process integration
- Efficiency in using raw materials
Outokumpu R&D in nutshell

More than 200 R&D experts along with extensive R&D networks with leading universities and institutes.

State-of-the-art R&D facilities in Sweden, Germany and Finland.

Developing products, processes and markets to create advanced solutions together with customers.
Introducing renewed product portfolio

By grouping our products into ranges based on performance, we aim to make choosing the best product for your application easier.
Automotive industry as a customer segment

Automotive and heavy transport demand
~1 million tonnes annually

Largest car manufacturers as main customers

Stainless steel mainly used in exhaust systems

Huge potential for additional stainless steel usage
Automotive as new mass market for austenitic steels

- Exhaust system: 95%
- Other: 5%

New market

- Exhaust system: 75%
- Structural parts: 20%
- Other: 5%
Making lighter cars with new materials helps to reduce CO$_2$ emissions

New worldwide CO$_2$ emission legislation enhance the need for breakthrough lightweight materials

Source: Hillman, J (2012)
Half of a car weight comes from Chassis and Body-in-White (BIW) parts.

Source: Dr. Olaf Täger, Dr. Armin Plath: Konzernforschung Volkswagen AG; Fachtagung „Großserientaugliche thermoplastische Strukturen“ thermoPre, Chemnitz 28.08.2013
Outokumpu new high performance MnCr material offers an outstanding lightweight potential.
Examples of lightweight potential (LWP) of austenitic materials

Lightweight chassis

Audi A8:
Thickness reduction from 2.5 to 1.5mm

Prototype:
LWP: 50% reduction in thickness from 1mm to 0.5mm

Volvo:
Weight reduction: -3kg
More Volume: 3l

Bentley:
High crash absorption
System integration

Lightweight BIW

Prototype
LWP: 45%
Thickness reduction form 0.9 to 0.5mm
System integration

Tanks
MnCr material shows the best lightweight CO$_2$-footprint among lightweight materials.
MATERIAL VALIDATION:
Higher safety with the new lightweight MnCr material group

Axial crash test with square specimen:

Drop height h = 10,00m

Drop weight m = 186kg

Better folding behavior enhance safety
Added value of MnCr steels for car companies

- Excellent CO$_2$ footprint
- Best lightweight index
- Price stability
- Higher safety due to its ductility
- Excellent ductility open up ways for part integrations
- Improved productivity due to cold stamping compared to hot stamped 22MnB5
- Material is worldwide available
- Material fit to the OEMs production requirements
Total cost of austenitic MnCr steels can be lower than a hot stamped 22MnB5 part.
Cooperation with leading car manufacturers and tier one suppliers for MnCr material
Turnaround shows in gradually improving profitability

Reinhard Florey
CFO

May 27, 2015
1. Balance sheet strengthened and significant deleveraging continuing
2. Good progress in efficiency programs
3. Coil Americas facing headwinds
Outokumpu turnaround shows in gradually improving profitability

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>Q1/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stainless steel deliveries, kt</td>
<td>2,585</td>
<td>2,565</td>
<td>620</td>
</tr>
<tr>
<td>Sales</td>
<td>6,745</td>
<td>6,844</td>
<td>1,768</td>
</tr>
<tr>
<td>EBIT excl. NRI</td>
<td>-432</td>
<td>-57</td>
<td>8</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>-377</td>
<td>-88</td>
<td>2</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>34</td>
<td>-126</td>
<td>-62</td>
</tr>
<tr>
<td>Capex (accounting)</td>
<td>183</td>
<td>127</td>
<td>26</td>
</tr>
<tr>
<td>Personnel</td>
<td>12,561</td>
<td>12,125</td>
<td>11,824</td>
</tr>
</tbody>
</table>

Group underlying EBIT, EUR million

![Bar chart showing Group underlying EBIT for 2013, 2014, and 2015]
Balance sheet strengthened

### 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>188</td>
<td>93</td>
</tr>
<tr>
<td>2014</td>
<td>93</td>
<td>91</td>
</tr>
<tr>
<td>Q1/2015</td>
<td>91</td>
<td></td>
</tr>
</tbody>
</table>

### Total equity and equity to assets ratio, EUR million and %

<table>
<thead>
<tr>
<th>Year</th>
<th>Total equity</th>
<th>Equity ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>2014</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Q1/2015</td>
<td>32</td>
<td>32</td>
</tr>
</tbody>
</table>
Good progress in efficiency programs

Synergies, P250 and P400 to be closed by end-2015

<table>
<thead>
<tr>
<th></th>
<th>Realized (EUR million)</th>
<th>Targeted (EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA restructuring</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Synergies 200</td>
<td>195</td>
<td>200</td>
</tr>
<tr>
<td>P250</td>
<td>225</td>
<td>250</td>
</tr>
<tr>
<td>Total cost reduction</td>
<td>420</td>
<td>550</td>
</tr>
<tr>
<td>NWC reduction</td>
<td>426</td>
<td>400</td>
</tr>
</tbody>
</table>
Savings programs on track

Cumulative savings, EUR million

- Synergies
- P250
- EMEA restructuring

Provisions*, EUR million

- Provisions relate to personnel reductions, environmental provisions and impairments of the European operations. No provisions were booked in Q1/15

Cash out:
- 2013: 12
- 2014: 36
- Q1/15: 56
- Rest of 2015: ~40
- 2016: ~50
- 2017+: <30
Active inventory, accounts receivable and accounts payable management for cash extraction

**Cash flow from working capital change** ¹)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>Q1/15</th>
<th>2015 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values</td>
<td>351</td>
<td>351</td>
<td>426</td>
<td>400</td>
</tr>
</tbody>
</table>

**Inventory days development** ²)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>Q1/15</th>
<th>2015 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values</td>
<td>100</td>
<td>102</td>
<td>97</td>
<td>86</td>
</tr>
</tbody>
</table>

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

²) Figures exclude FeCr operations

³) 86 days target is an estimate based on similar sales configuration as 2014
Cash flow improvement is a high priority.

- 2014 operating cash flow negative due to seasonal build-up in inventories and changes in nickel price.
- Q1/15 cash flow mainly impacted by:
  - Redundancy provisions (EUR 61 million)
  - Change in derivatives (EUR 85 million)
  - EUR 75 million of NWC release
- Cash flow improvement target supported by working capital management measures.
Raw materials account for >60% of total operative costs

Operative cost components in 2014:
- Raw materials: 60%
- Energy and consumables: 13%
- Personnel: 11%
- Other cost of sales: 11%
- SG&A: 9%

Raw material spend by category in 2014:
- Stainless steel scrap: 49%
- Nickel primary: 23%
- Chrome primary: 11%
- Iron (Fe) in scrap: 8%
- Others: 5%

Operative costs = Sales – EBIT. SG&A excludes personnel and D&A.
Currency analysis of costs and revenues

Currency split of revenues and cost*

*) Management estimates, costs = Sales – EBIT excl. NRIs, based on 2014 full year data
Revenues shown both in terms of sales destination currency classification and by classifying estimated share of alloy surcharge into USD (alloys largely denominated in USD). Costs shown both including and excluding raw materials, which are largely USD denominated.
Well-invested asset base

Group CAPEX (accounting), EUR million

- **Recent major investments completed**
  - New Calvert facility, US
  - Doubling of Ferrochrome, Finland
  - Expansion of Quarto Plate, Sweden and US

- **Moderate capex levels going forward**
  - Investment in Krefeld ferritics optimization: EUR 108 million in 2014-2016, by Q1/15 EUR 24 million spent
  - De-bottlenecking of the Kemi mine: EUR 10-20 million annually
  - Participation in Fennovoima energy project: EUR 10-20 million annually
  - Maintenance: EUR 70-80 million annually
Coil EMEA improving financial performance

Stainless steel deliveries, kt

Underlying EBIT, EUR million

Sales by end-customer segment

Coil EMEA positioning

- Market leader with ~30% market share*
- Highly specialized mills, close proximity to customers
- In-house chrome and ferrochrome
- Restructurings progressing well: aiming for competitive cost structure and higher utilization

Coil EMEA, capacities

Coil Americas facing headwinds

Stainless steel deliveries, kt

Underlying EBIT, EUR million

Sales by end-customer segment

Coil Americas positioning

- Established market presence
- Experienced sales team
- Market share of ~22% 1) in NAFTA region
- Focus on getting back on track in challenging market
- Commercial ramp-up of the Calvert mill to be completed in the coming 2-3 years

Coil Americas, capacities

<table>
<thead>
<tr>
<th></th>
<th>Calvert</th>
<th>Mexinox</th>
</tr>
</thead>
<tbody>
<tr>
<td>Melting</td>
<td>900</td>
<td></td>
</tr>
<tr>
<td>Hot rolling</td>
<td>870</td>
<td></td>
</tr>
<tr>
<td>Cold rolling</td>
<td>350</td>
<td>250</td>
</tr>
</tbody>
</table>

- Consumer goods & Medical
- Automotive
- Architecture, Building & Construction
- Chemical, Petrochemical & Energy
- Metal processing & Tubes
- Heavy industries
- Other

2) Continuous mill plate
APAC performance around break-even

**Stainless steel deliveries, kt**

- Q1/14
- Q2/14
- Q3/14
- Q4/14
- Q1/15

**Underlying EBIT, EUR million**

- Q1/14
- Q2/14
- Q3/14
- Q4/14
- Q1/15

**Sales by end-customer segment**

- Consumer goods & Medical: 30%
- Automotive: 26%
- Architecture, Building & Construction: 22%
- Chemical, Petrochemical and Energy: 7%
- Metal processing & Tubes: 7%
- Heavy industries: 7%
- Other: 5%

**APAC positioning**

- SKS joint venture (60/40) with Baosteel
- Route to market for Outokumpu’s specialty products
- Highly professional and experienced local sales team
- Strong brand reputation in high demanding products
- Strong import position in Australia

**Capacity p.a.**

- Shanghai (CN), cold rolling: 290 kt
Quarto Plate targets a step change in profitability

**Stainless steel deliveries, kt**

- Q1/14: 20
- Q2/14: 20
- Q3/14: 20
- Q4/14: 20
- Q1/15: 30

**Underlying EBIT, EUR million**

- Q1/14: -15
- Q2/14: -10
- Q3/14: -5
- Q4/14: 0
- Q1/15: 0

**Quarto Plate positioning**

- Global leader in tailored and standard quarto plate products
- Customer-driven solutions through tailored products and value adding services
- Quarto plates used in large projects in process industry and construction
- Newly expanded capacity in Degerfors taken into use

**Sales by end-customer segment**

- Chemical, Petrochemical and Energy: 58%
- Metal processing & Tubes: 17%
- Heavy industries: 14%
- Other: 10%

**Capacities p.a.**

- Degerfors (SWE), quarto plate: 150 kt
- New Castle (US), quarto plate: 60 kt
Long Products delivering healthy returns on assets

Stainless steel deliveries, kt

Sales by end-customer segment

Underlying EBIT, EUR million

Long Products positioning
- Extensive long products offering
- Specialty melting expertise in Sheffield, UK
- Light asset structure and low conversion cost
- Strong position in the US market

Capacities p.a.

<table>
<thead>
<tr>
<th>Location</th>
<th>Segment</th>
<th>Capacity (kt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheffield (UK)</td>
<td>Chemical, Petrochemical and Energy</td>
<td>450+25 kt</td>
</tr>
<tr>
<td></td>
<td>Metal processing &amp; Tubes</td>
<td></td>
</tr>
<tr>
<td>Richburg (US)</td>
<td>Heavy industries</td>
<td>40 kt</td>
</tr>
<tr>
<td>Degerfors (SWE)</td>
<td>Other</td>
<td>40 kt</td>
</tr>
<tr>
<td>Wildwood (US)</td>
<td></td>
<td>20 kt</td>
</tr>
</tbody>
</table>
Continuous financial stability enhancement

Debt reduction
- Active focus on cash flow
  - Operative performance and profitability
  - Net working capital management
  - Financing efficiency
  - Divestiture of smaller non-core assets

Refinancing
- Refinancing and diversification of funding ongoing
  - EUR 250 million high yield bond, issued Sept. 2014
  - EUR 250 million convertible bond, issued Feb. 2015
  - Pension loans, Finnish commercial paper program

Reducing financing costs
- Total financing cost in 2015 estimated at EUR 160 million, out of which EUR 120 million interest expenses
- Target to push annual interest expense < EUR 100 million from 2017 onwards
Targeting net debt of below EUR 1.5 billion by the end of 2017

Net debt and gearing, EUR million and %

Debt maturity profile, EUR million
**Balanced debt distribution, solid liquidity**

**Debt distribution by source, Mar. 31, 2015**
- Total EUR 2,332 million
- Bonds, EUR 547 million
- Convertible bonds, EUR 204 million
- L-t loans from financial institutions, EUR 769 million
- Pension loans, EUR 206 million
- L-t leasing, EUR 240 million
- S-t loans from financial institutions, EUR 95 million
- Commercial paper, EUR 271 million

**Total debt vs. liquidity position, EUR million**
- December 2013: Current debt 893, Non-current debt 1,000, Liquidity reserves 60
- December 2014: Current debt 1,597, Non-current debt 1,400, Liquidity reserves 1,300
- March 2015: Current debt 1,732, Non-current debt 600, Liquidity reserves 1,300
Business and financial outlook for Q2 2015 given in Q1 report

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.

Outokumpu estimates

Flat delivery volumes q-o-q: deliveries expected to increase somewhat in Europe and decrease in Americas

Slightly negative underlying EBIT in Q2 for the Group driven by weaker profitability in Coil Americas

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

Market outlook for stainless steel varies by region

In Europe, order intake improving and underlying demand remaining relatively healthy

In the Americas, pressure from Asian imports continues and low nickel price puts constraints on distributor sector

Markets in the APAC under pressure
Key building blocks for Outokumpu turnaround

- Overcome setbacks in Calvert and turn Coil Americas profitable
- Continue good progress in Coil EMEA and achieve targeted utilization and efficiency rates
- Step change in Quarto Plate to sustainable profitability
- Achieve targeted savings on time, continue cost optimization
- Maintain moderate capex level and focus on NWC
- Reduce net debt to below EUR 1.5 billion by end of 2017 and decrease financing costs
Closing summary
Thank you
Outokumpu