The global leader in stainless steel

Interim Report Q1 2013

April 25, 2013

CEO Mika Seitovirta

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Today‘s attendees of Outokumpu

Mika Seitovirta
CEO

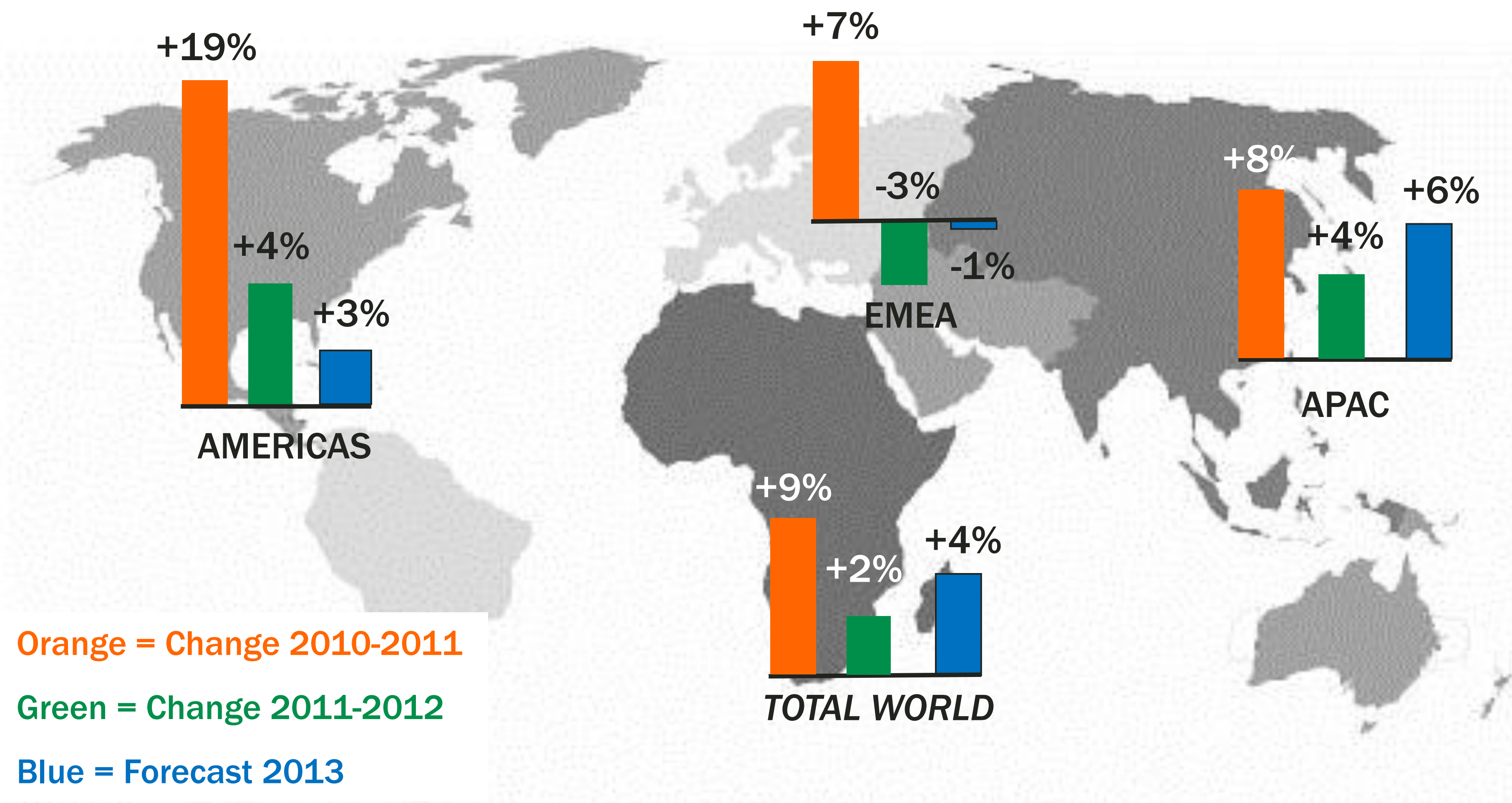
Esa Lager
CFO

Kari Tuutti
EVP – Marketing, Communications and IR

Outline

1. Q1 Outokumpu highlights
2. 2013 priorities
3. 2013 market outlook
4. Q2 outlook

Continued growth for stainless steel globally– Europe will decline in 2013



Orange = Change 2010-2011

Green = Change 2011-2012

Blue = Forecast 2013

Data source: SMR, April 2013

Real demand for total stainless (rolled & forged, excl. 13Cr Tubes)

Highlights in Q1 2013

- Q1 2013 stainless steel deliveries grew by 9% to 703,000 tonnes compared to Q4 2012
- Reduced underlying EBIT losses despite challenging market environment
- Synergy savings of EUR 16 million achieved in Q1 as well as further cost reductions from the last year concluded P100 program
- Ferrochrome ramp-up has progressed as planned with production of 97,000 tonnes in Q1 2013
- Operating cash flow was EUR -46 million mainly driven by the Calvert melt shop related working capital increase

EUR million	Q1/13	Q4/12 comparable	Q1/12 comparable
Stainless steel deliveries 1)	703	644	758
Sales	2,221	2,067	2,648
Underlying EBITDA 2)	17	-58	68
EBIT	-82	-307	-58
Underlying EBIT 3)	-77	-162	-21
Operating cash flow	-46	n.a.	n.a.
Capex	82	254	181

1) External deliveries, 1,000 tonnes, excl. ferrochrome deliveries, incl. high performance alloy deliveries
2) EBITDA excl. non-recurring items, other than impairments, and inventory gains/losses, unaudited
3) EBIT excl. non-recurring items and inventory gains/losses, unaudited

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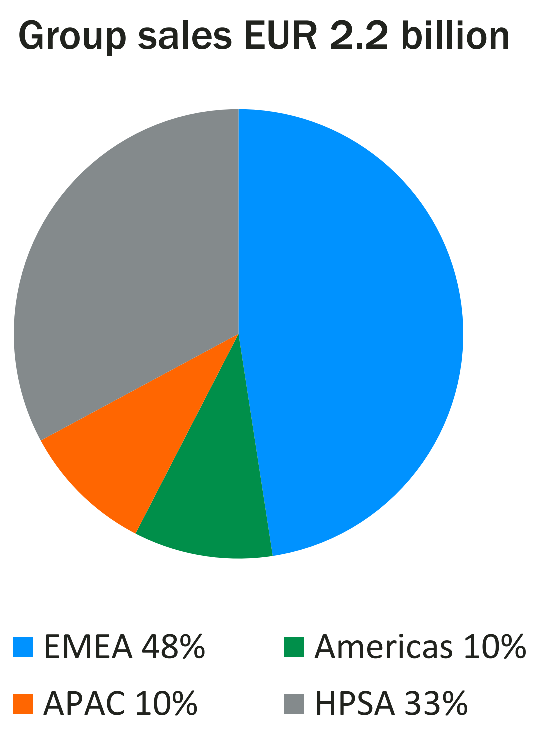
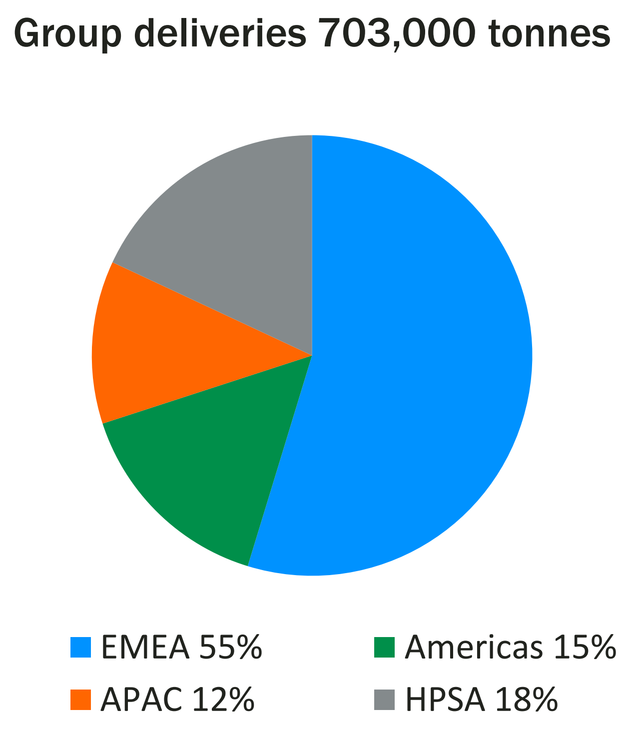
Sales and deliveries by Business Areas

Q1 2013 External sales by BA [1)]



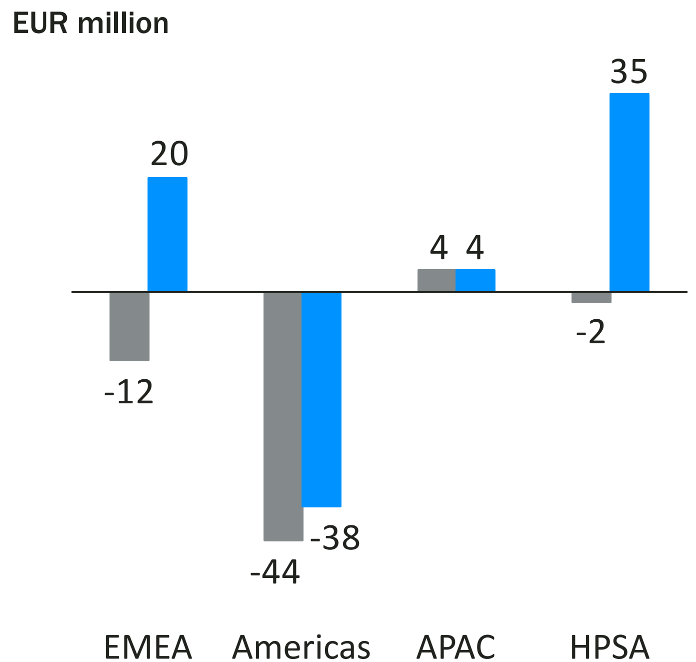
Q1 2013 External deliveries by BA [1,2)]



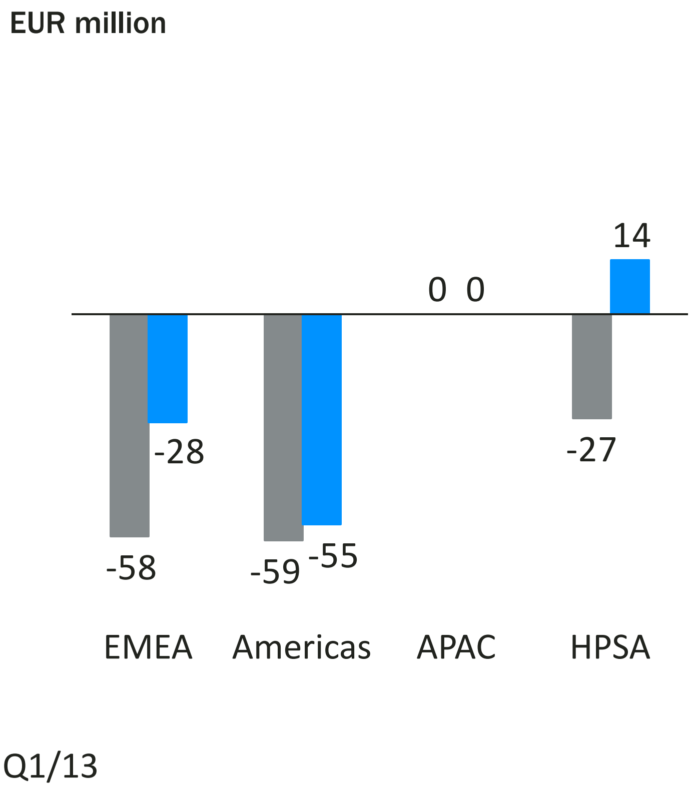
1) Split by BA are based on management estimates. APAC figures include also direct sales and deliveries from other BAs to the region.
2) Incl. high performance alloy deliveries, excl. ferrochrome deliveries.

EBITDA and EBIT by Business Areas

EBITDA excl. NRI per Business Area



EBIT excl. NRI per Business Area



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Operating cash flow driven by Calvert ramp-up

EUR million	Q1/13
Net cash from operating activities	-46
Net cash from investing activities	-186
Net cash from financing activities	295
Net change in cash and cash equivalents	63

- Negative operating cash flow of EUR 46 million mainly due to net working capital increase related to the Calvert melt shop ramp-up
- Net cash from investing activities was EUR 186 and in addition to Q1 capex it included ending of project supplier finance of EUR 70 million and EUR 25 million of cash payments related to capex related to the Inoxum transaction

Capital structure

EUR million	Q1/13	Q4/12 comparable
Net interest-bearing debt	2,891	2,620
Equity	2,799	2,952
Equity-to-assets ratio, %	28.0	30.6
Debt-to-equity ratio (gearing), %	103.3	88.8

- Negative impact of EUR 17 million (Q4/12: EUR -28 million) for the EUR 37 million remaining 16% stake in Talvivaara Sotkamo Ltd
- Net interest-bearing debt increased to EUR 2,891 million leading to a gearing of 103.3%. Increase was driven by the losses of the first quarter as well as the negative cash flow due to working capital changes and cash flow from investing activities
- Liquidity reserves amount to approximately EUR 1 billion

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New Outokumpu Strategy Roadmap

Restructuring				+ Growth				= Perfor-mance
Deliver on synergies	New efficiency projects	Transform company structure	Ensure financial stability	Ramp-up US presence	Expand Ferrochrome	Leverage HPSA	Develop APAC	Full integration and new culture
Mill closures Loading efficiency Procurement & raw materials Streamlining overlapping activities	P150 project (€150 million savings) P300 project Working capital management Cold rolling ferritic optimization	New leadership Market oriented Business Areas Customer orientation Global Group functions	Minimize capex Optimize working capital management Pricing and hedging strategy Refinancing	Ramp-up of Calvert mill Increase US market share Focus on quality and profitability Integrate Calvert and Mexinox	Double production Achieve self-sufficiency Optimize efficiency	Execute VDM growth strategy Strengthen profitability of specialty stainless Strengthen operations in the US	Grow sales of specialty stainless Leverage production at SKS [1)] Grow business in China, India and other South East Asia	Advanced financial perfor-mance Pursue market leader strategy

2013 / 2014 → 2015 →

1) SKS: Shanghai Krupp Stainless, Outokumpu's cold rolling mill in China.

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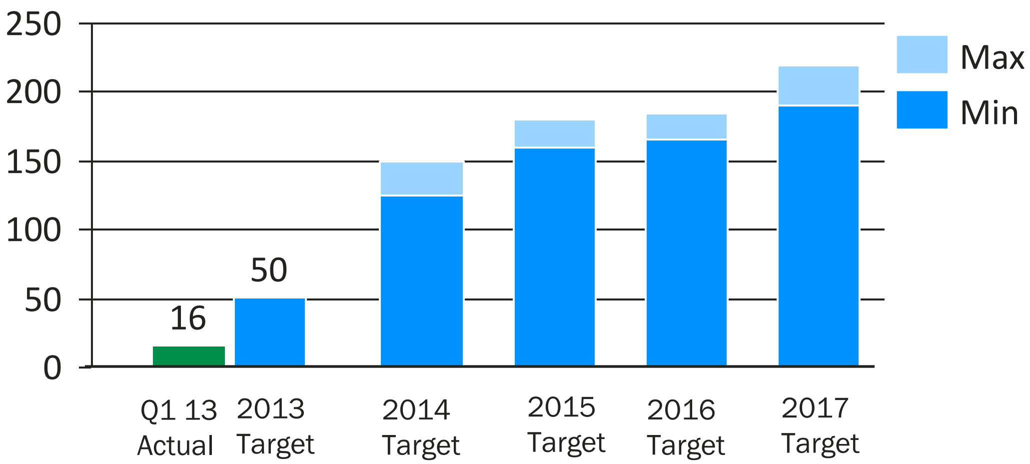
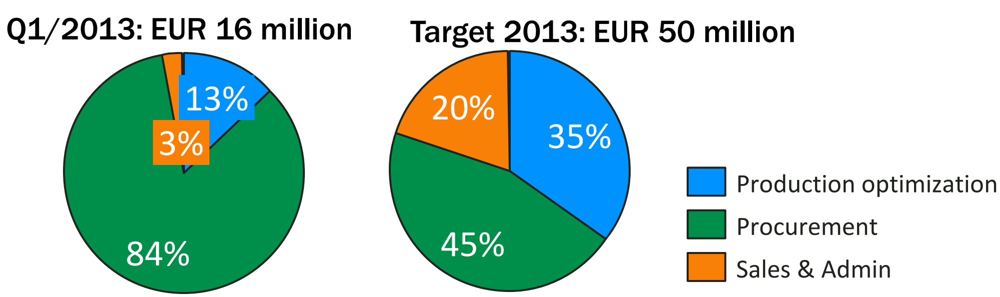
Update synergy savings – EUR 16 million achieved in Q1 2013

Deliver on synergies

Synergy savings over time (cumulative)





- We are on track to reach for targeted annual savings of EUR 50 million in 2013
- Krefeld melt shop ramp-down proceeding on plan, melt shop closed by the end of 2013
- Up to EUR 150 million of the savings should be achieved during the first 2 years (annual)

Note: synergy saving target of EUR 200 million includes closures of Krefeld and Bochum meltshops but excludes possible savings from capacity reductions in Sweden. Total expected implementation and non-recurring cumulative cash costs of up to EUR 160 million incurred in 2013-2017.

New efficiency projects

Update: P150 and P300 programs

P150 program

- P150 is aiming an **additional cost saving of EUR 150 million** on EBITDA level
- Full implementation and effective until end of 2014
- Main focus of the P150 program are further head count and general and administration cost reduction, savings in IT, in procurement and in Business Areas.

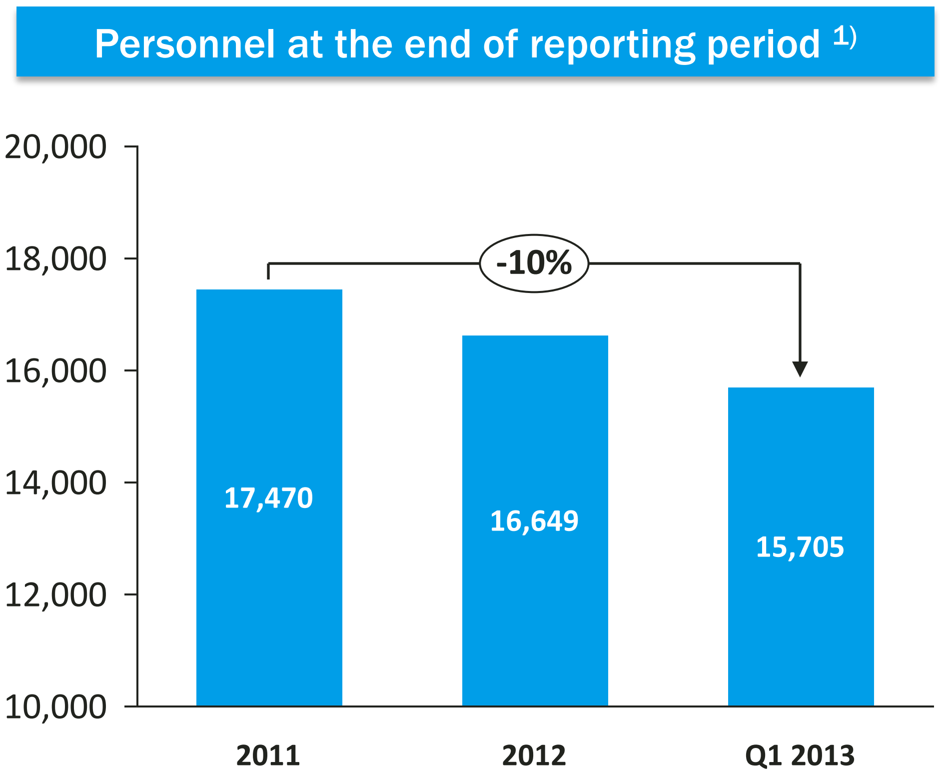
- **Considerable impact of EUR 30-50 million EBITDA expected already in 2013**

P300 program

- New program targeting a **net working capital reduction of EUR 300** million to be achieved through:
  - Inventory reduction
  - Accounts receivables
  - Accounts payables

- **Of the total target we expect to achieve approx. EUR 150 million working capital reduction already during 2013**

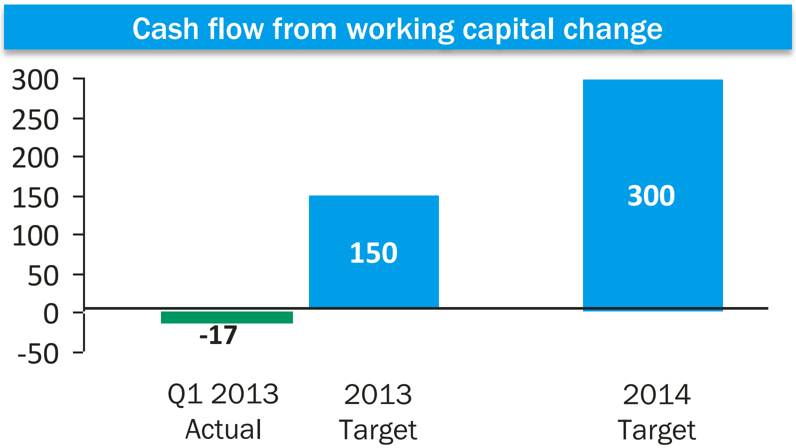
Further headcount reduction announced to reduce fixed costs

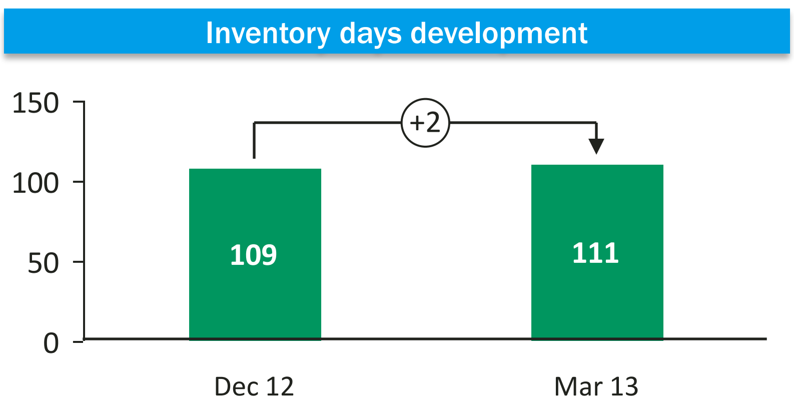


- Target is to reduce headcount by 2,500 between 2013-2017
- Reduction in headcount in Q1 2013 mainly related to reduced ownership in OSTP tubular joint venture (~770 people)

1) 2011 and 2012: Total Group excl. remedy assets
Q1/13: Continued operations (excl. remedy assets and OSTP)

P300: Target to reduce net working capital of EUR 300 million by the end of 2014





- Approx. EUR 150 million to be achieved during 2013 through inventory reduction, accounts receivable and accounts payable management

- In Q1 2013, inventory levels increased as anticipated mainly due to effects related to the ramp-up of the integrated mill in Calvert, USA
- Inventory days increased by 2

1) Change in working capital of EUR -22 million for Q1 2013 includes EUR 5 million provisions

Update: US ramp-up

- Ramp-up of Calvert on track:
  - First melts done across a range of stainless grades and product sizes
  - Cold rolling ramp-up has shown a major increase in volume in Q1 2013 compared to Q4 2012
- The BA Americas EBIT improved from EUR -59 million in Q4 2012 to EUR -55 million in Q1 2013.
  - Continuous ramp-up of the Calvert facility
  - Improved performance of the cold rolling plant in Mexico.
- Outokumpu market share in NAFTA region in Q1 2013: approximately 24%[1)]
- Target to largely ramp-down hot band imports from Europe by end of 2013

Positive EBIT expected to be reached for full year 2014 for BA Stainless Coil Americas

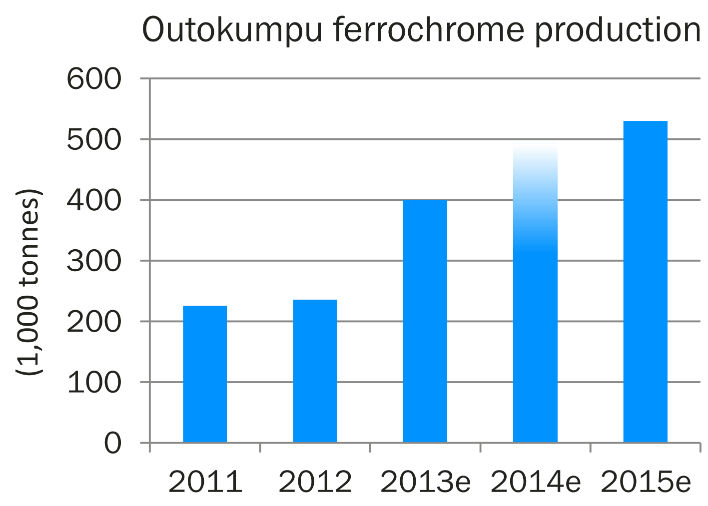
Production base in USA and Mexico

Key figures, BA AMERICAS EUR million	Q1 2013	Q4 2012 comparable	Q1 2012 comparable
Deliveries (1,000 tonnes)	**102**	105	102
Sales	**202**	207	253
EBITDA	**-38**	-44	-19
EBIT	**-55**	-59	-29
Non-recurring items in EBIT	-	-	-1

1) Including Outokumpu deliveries from both Americas and EMEA.

Update: Ferrochrome operations

- Unique low cost position as Europe's only ferrochrome producer with access to the only known chromite reserves in the EU
- One of the lowest cost structures among all ferrochrome producers, well below current market prices
- Q1 2013: progress slightly ahead of schedule and ferrochrome production of 97,000 tonnes was reached.
- The Q2 2013 benchmark price for ferrochrome settled at 1.27 USD/lb (Q1 2013: 1.125 USD/lb)



Company expects to reach a ferrochrome production level of approximately 400,000 in 2013 and the full capacity of 530,000 tonnes in 2015

Ore reserves: 33 million tonnes and additional mineral resources of 105 million tonnes

Update: Remedy divestment process

- Outokumpu is committed to the divestiture of Inoxum's integrated stainless mill in Terni, Italy as well as Outokumpu's service center in Germany and Terninox service center in Italy. Remedy excludes the Tubificio di Terni unit (tubular business)
- Remedy also includes following units at the option of the buyer:
  - Service centers in Tours (France) and Birmingham (UK).
  - Società delle Fucine unit (forging) in Terni Italy
  - BA2 Bright Annealing production line in Terni Italy
- Remedy package has approximately 2,800 employees
- Divestment assets financials [1)]
  - Net result (Jan-Mar 2013), discontinued operations [2)] EUR -13 million
  - Net value of asset (March 31, 2013) EUR 542 million

The timeline for the transaction has been extended to accommodate the required EU regulatory process.

1) These are management estimates, excl. Tubificio.
2) Includes only Terni operations.

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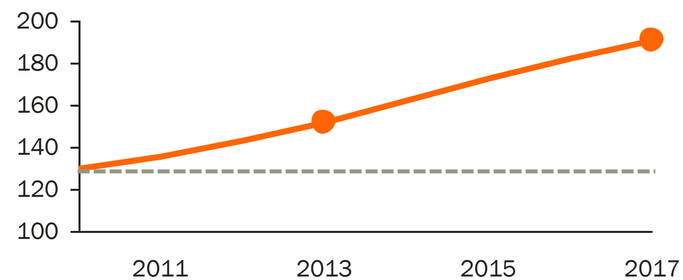
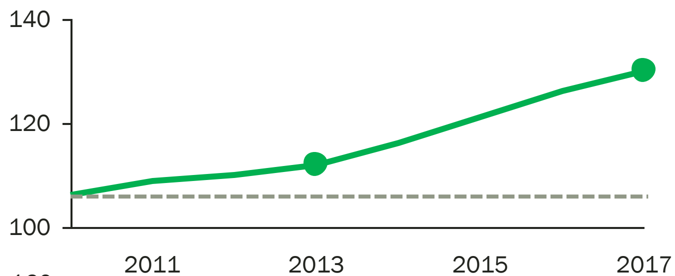
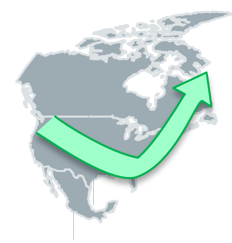
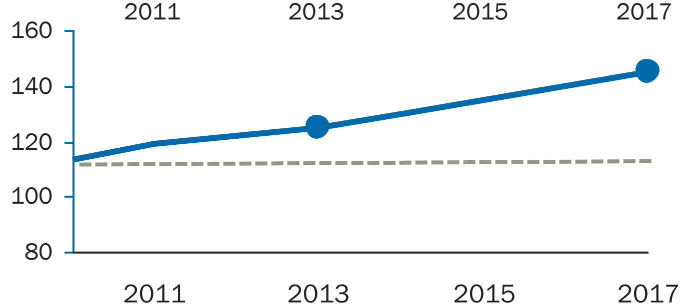
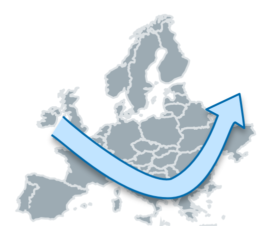
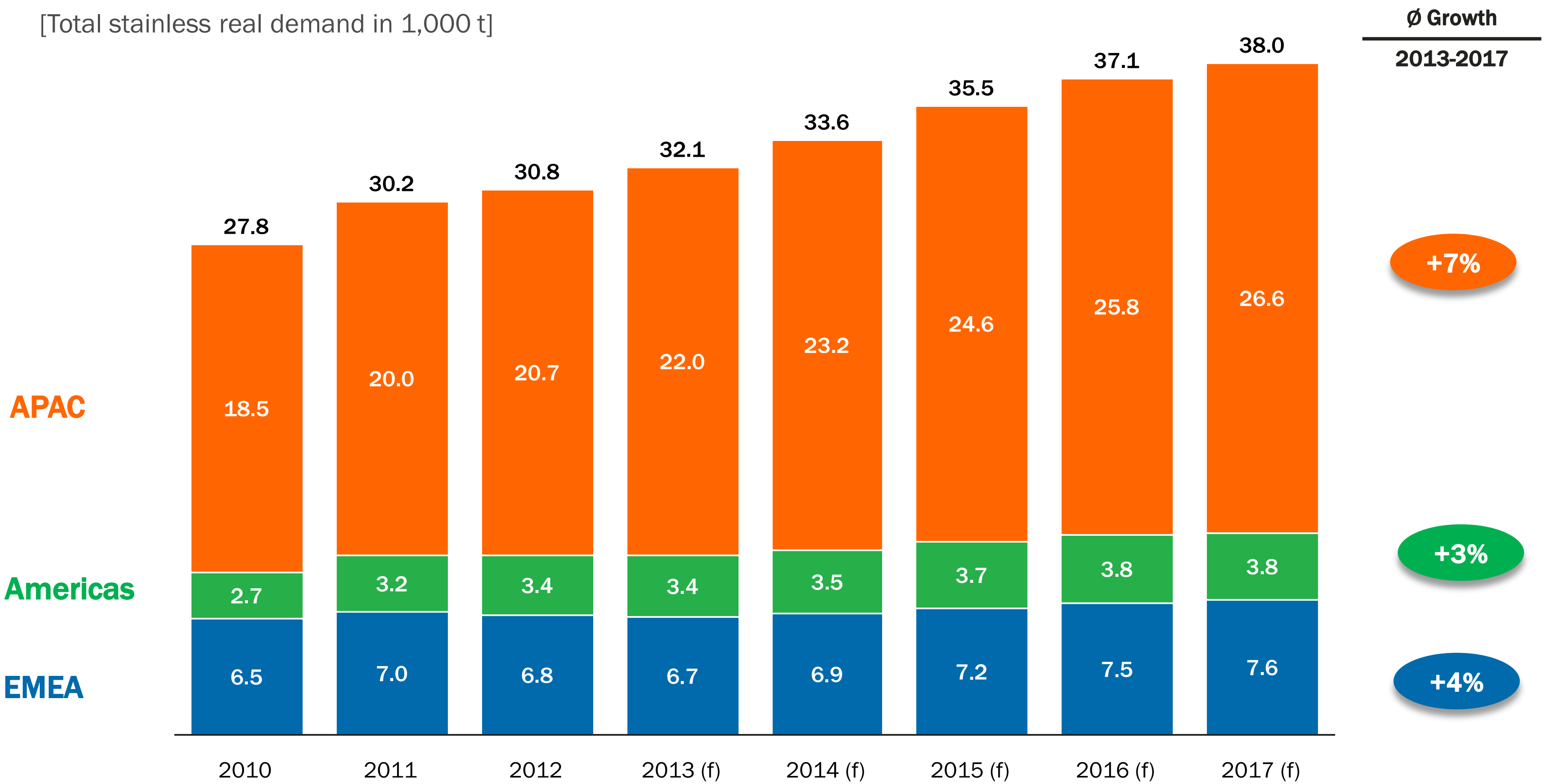
Industrial production as the major driver for stainless growth…

Index 2005=100

	Industrial Production	Growth 2013 - 2017		Economic Growth Prospects
APAC		+6%		Fundamental growth
Americas		+4%		Recovery from economic crisis and continued growth
EMEA		+4%		Recovery from economic crisis

Source: ISSF March 2013

... leads to growing stainless consumption mainly in APAC, and to some extent in Americas and EMEA

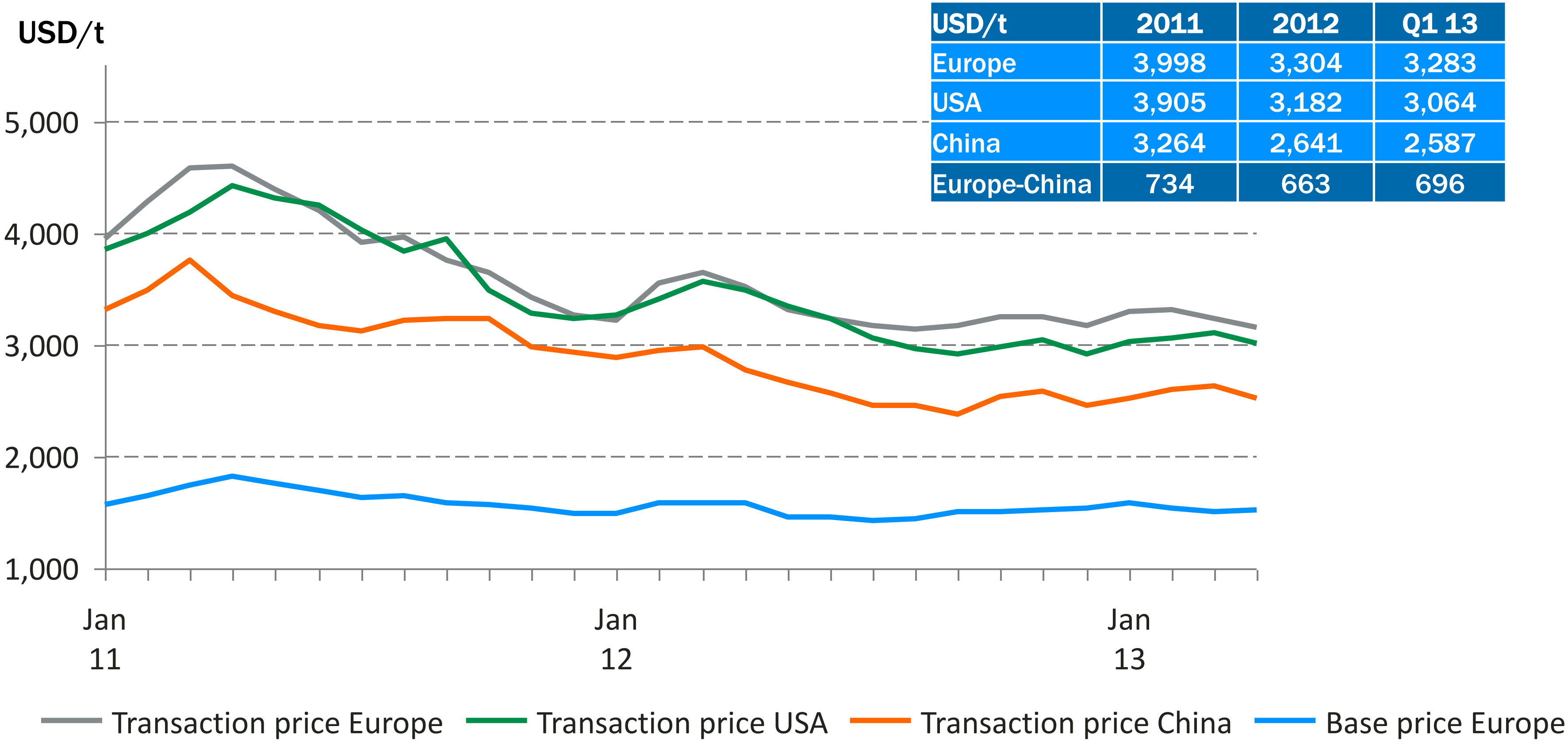


Source: SMR April 2013
Total stainless = rolled & forged, excl. 13Cr Tubes

Decrease in transaction prices

Average transaction prices for 2mm cold rolled 304 stainless steel sheet

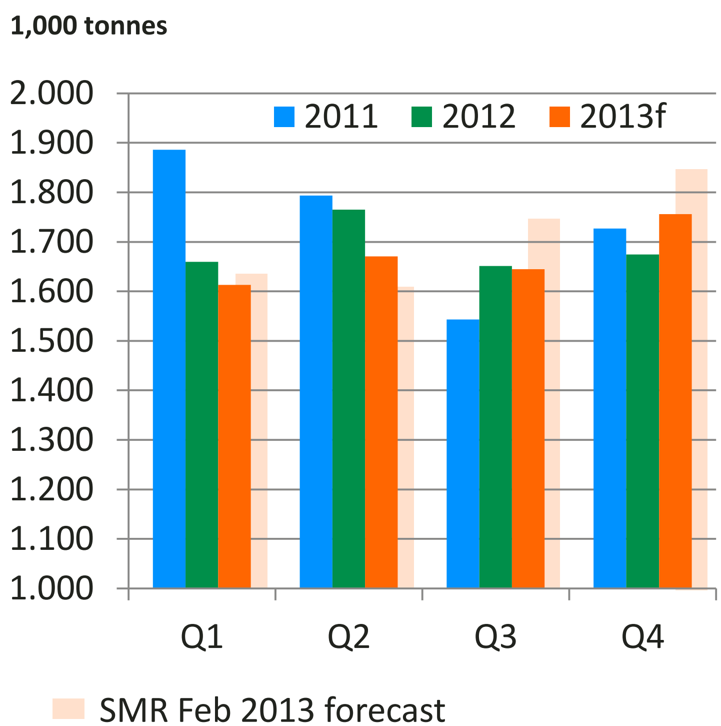
USD/t	2011	2012	Q1 13
Europe	3,998	3,304	3,283
USA	3,905	3,182	3,064
China	3,264	2,641	2,587
Europe-China	734	663	696



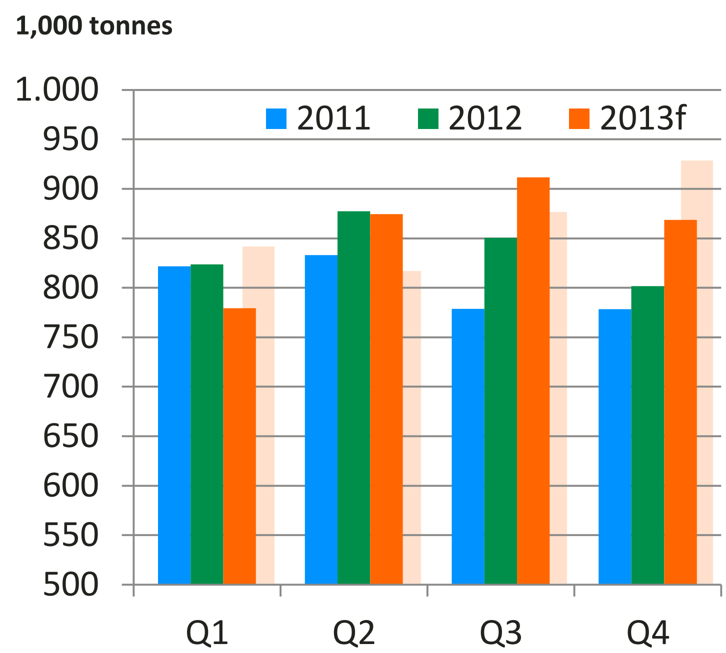
Source: CRU (up to and including April 2013)

Market to remain weak during H1 2013 – growth expected in H2 2013

EMEA stainless steel apparent consumption [1)]

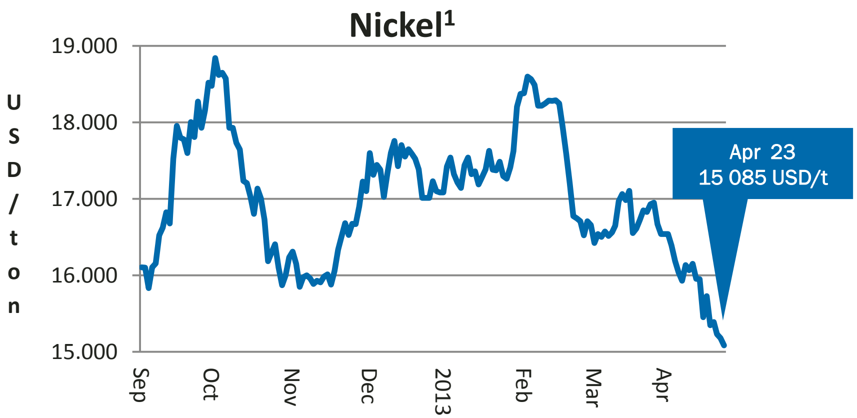


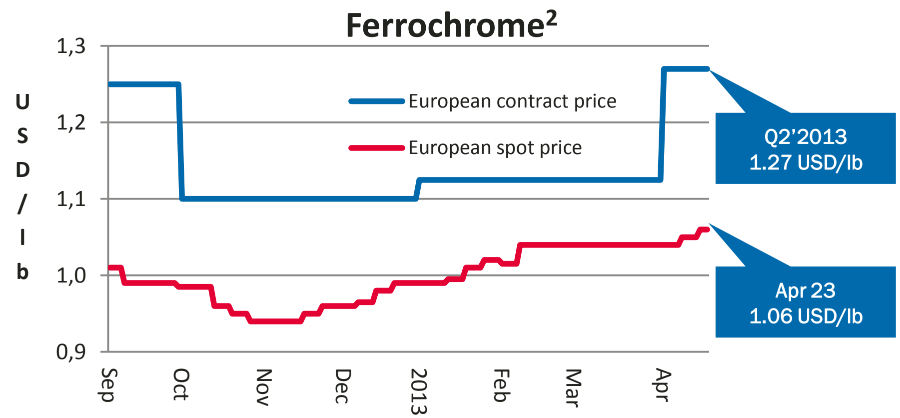
Americas stainless steel apparent consumption [1)]

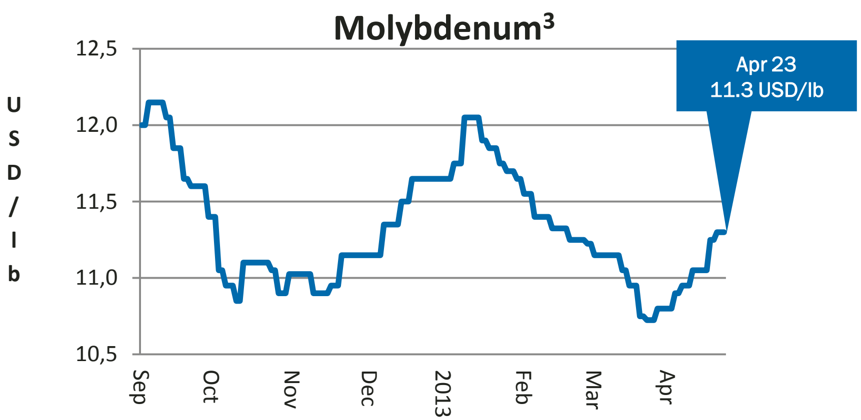


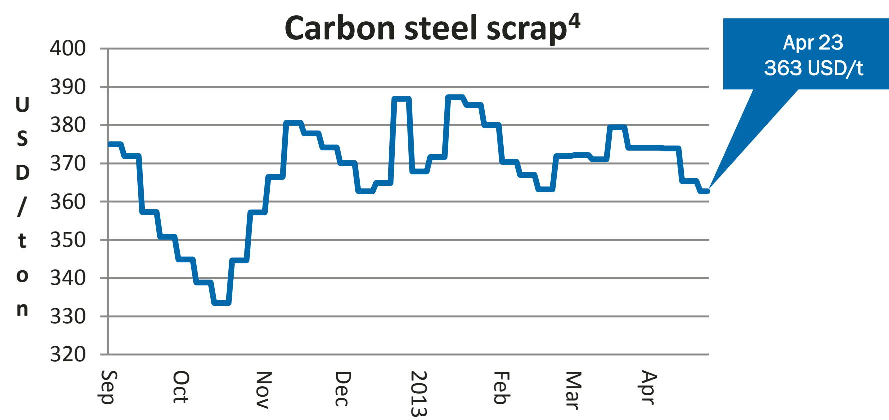
1) Source: SMR April 2013

Raw materials – last 6 months









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

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Business outlook – Second quarter 2013

- Outokumpu reiterates its expectations of a soft first half year with improvements in underlying EBIT during the second half of 2013.
- For the second quarter Outokumpu expects sequentially flat or slightly lower delivery volumes, weaker product mix and increased uncertainties from the nickel price development. These developments are expected to be partly compensated by the positive effects of the Ferrochrome and Calvert ramp-ups.
- Therefore, we expect the second quarter underlying EBIT loss to be equal or slightly worse than in the first quarter. Outokumpu's operating result in the second quarter could be impacted by non-recurring items associated with the Group's on-going cost-cutting programs.

Key targets largely unchanged

Overall	Stronger performance during the second half of 2013 expected, mainly due to progress in ramp-ups of Calvert and FeCr.
Capex	Capital expenditure is expected to decline to approximately EUR 350 million in 2013 (FY 2012: approximately EUR 821 million).
Costs	Synergy savings related to Inoxum integration to reach EUR 50 million during 2013. Savings from P100 to reach the full EUR 100 million in 2013. Savings from P150 to reach EUR 30-50 million in 2013.
Ferrochrome	Ferrochrome production is targeted to grow to approximately 400,000 tonnes in 2013 (FY 2012: 230,000 tonnes).
BA Americas	Clear reduction in the losses of the Calvert, US integrated mill operations in 2013 expected. Stainless Coil Americas Business Area EBIT is targeted to be positive for the full year 2014.

Q&A

Appendix

Outokumpu balance sheet

Assets (MEUR)	**31.3.13**	**31.12.12**
Non-current assets		
Intangible assets	630	629
Property, plant and equipment	3,694	3,697
Other receivables	6	8
Deferred tax assets	91	89
Interest bearing assets	268	234
Total non-current assets	**4,689**	**4,658**
Current assets		
Inventories	2,368	2,308
Trade and other receivables	1,224	1,037
Cash and cash equivalents	290	222
Other interest bearing assets	102	121
Total current assets	**3,985**	**3,687**
Assets held for sale	**1,334**	**1,326**
Total assets	**10,008**	**9,671**

- Goodwill is unchanged at EUR 469 million (including the Inoxum transaction goodwill of EUR 7 million).
- Assets held for sale and liabilities related to the assets held for sale, containing the remedy assets and related liabilities are EUR 1,334 million and EUR 793 million, respectively. The net value of Terni and Willich on the balance sheet is EUR 542 million.

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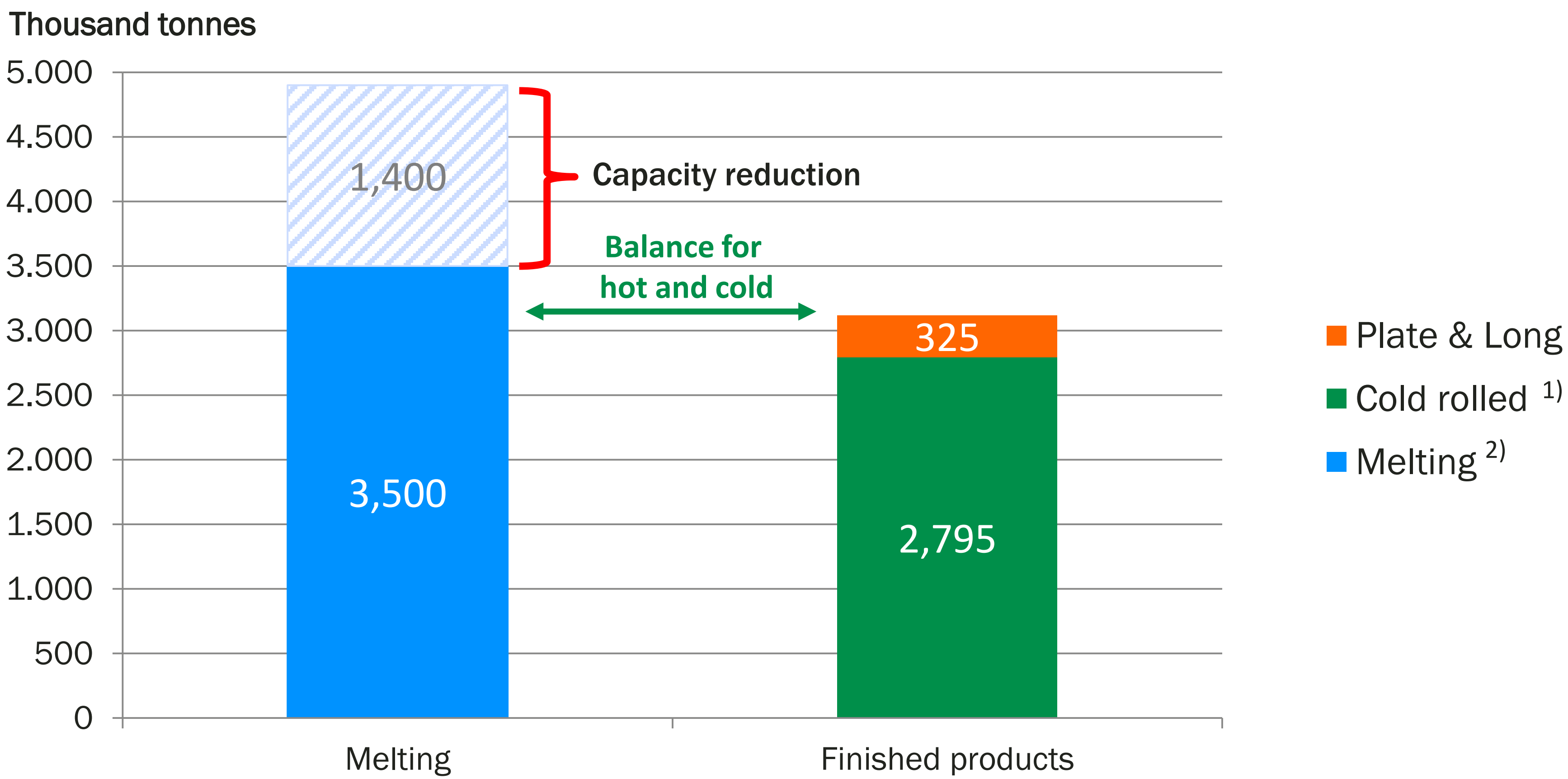
Outokumpu balance sheet

Equity and liabilities (MEUR)	31.3.13	31.12.12
Total equity	**2,799**	**2,952**
Non-current liabilities		
IB[1] liabilities	3,019	2,974
Deferred tax liabilities	89	90
Provisions[2]	526	543
Payables and other non IB[1] liabilities	8	5
Total non-current liabilities	**3,643**	**3,611**
Current liabilities		
IB[1] liabilities	1,073	763
Trade payables and other non IB[1] liabilities	1,665	1,522
Provisions	34	36
Total current liabilities	**2,773**	**2,321**
Liabilities directly attributable to assets held for sale	**793**	**786**
Total equity and liabilities	**10,008**	**9,671**

- The total non-current interest bearing liabilities of EUR 3,019 million include the ThyssenKrupp loan note of EUR 1,242 million.
- The increase of EUR 12 million is capitalized interest.

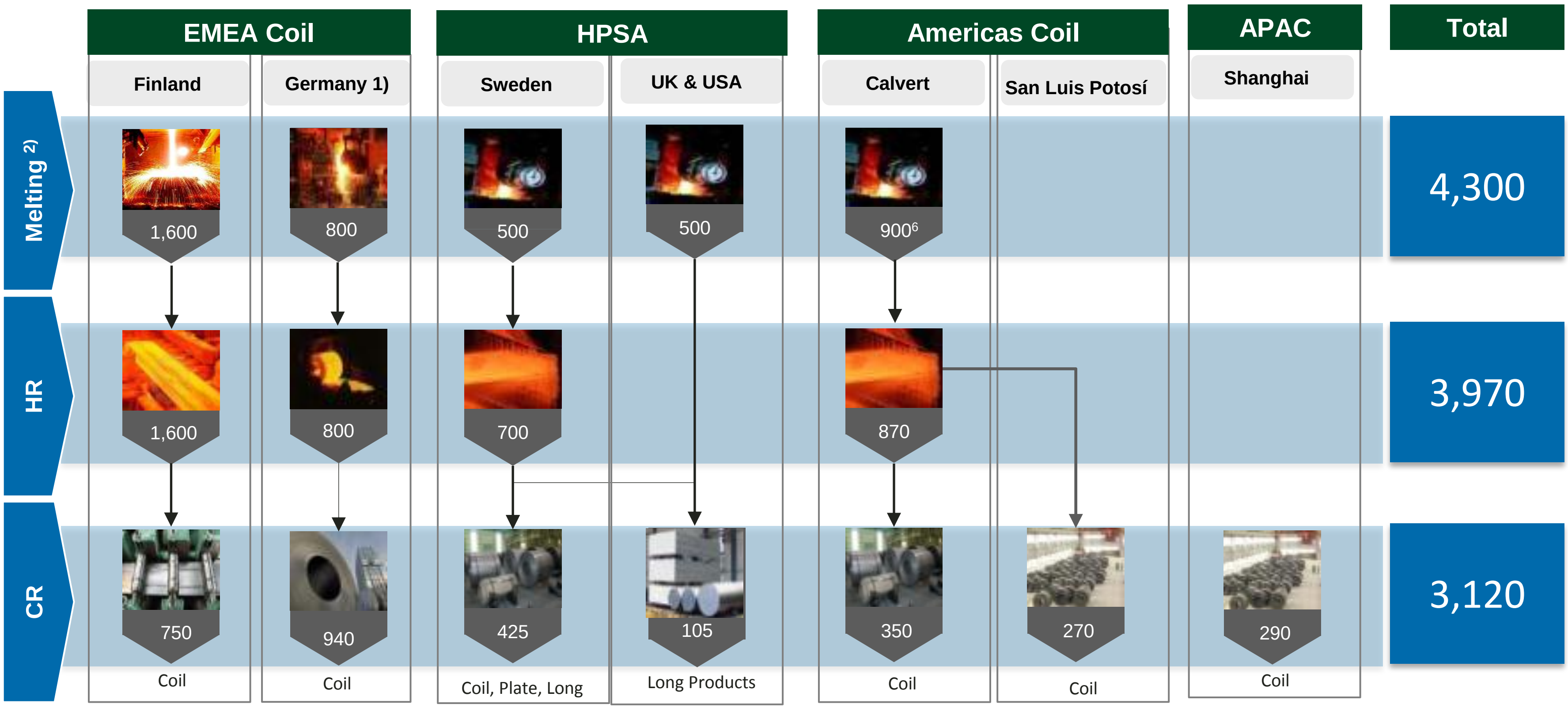
1) IB = interest bearing
2) Includes defined benefit and other long term employee benefit obligations

Outokumpu global production overview Dec. 31, 2012 - healthy balance between hot and cold with planned closures



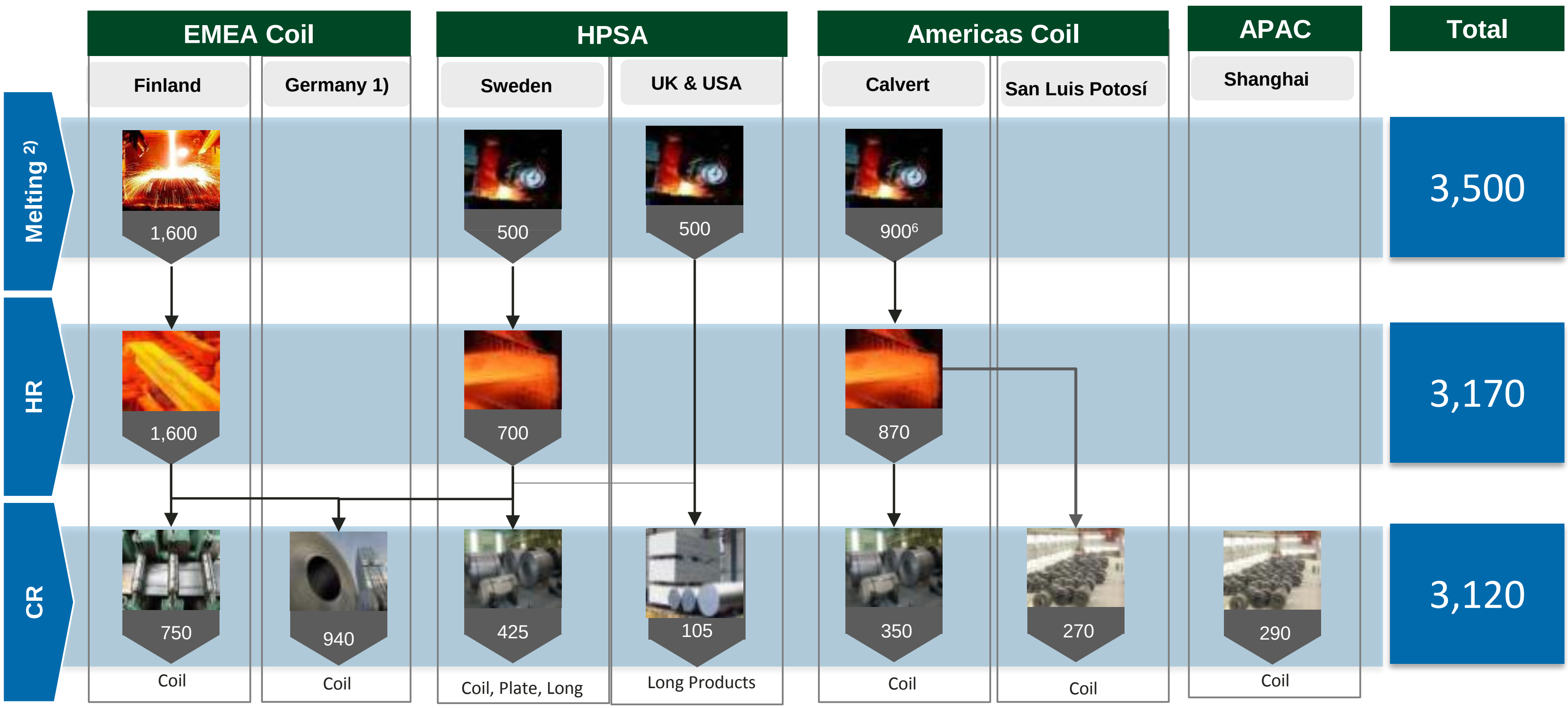
1) Sales of least profitable finished products to be potentially scaled down if capacity constrains emerge.
2) Melting capacity shown after Krefeld and Bochum meltshop closures in 2013 and 2016 and after full ramp-up of Calvert meltshop. Outokumpu management will conduct a final review and decision on Bochum meltshop closure in 2015.

Overcapacity of melting capacity in stainless production– prior to planned Bochum melt shop closure (Dec. 31, 2012)



1) After Krefeld melt shop closure in 2013.
2) Actual capacities will vary according to product mix and manning.

Balanced stainless production structure – after the planned Bochum melt shop closure (Dec. 31, 2012)



1) Outokumpu management will conduct a final review and decision on Bochum melt shop closure in 2015.
2) Actual capacities will vary according to product mix and manning.

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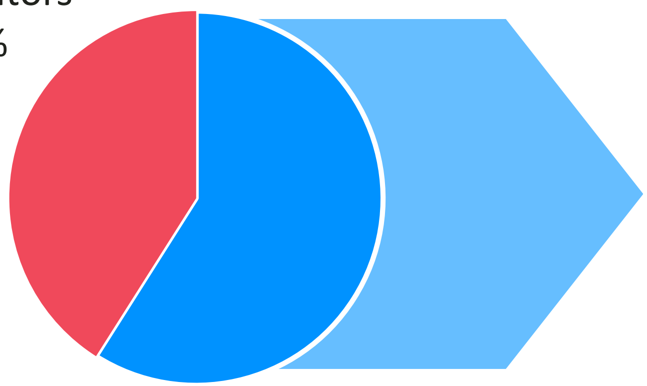
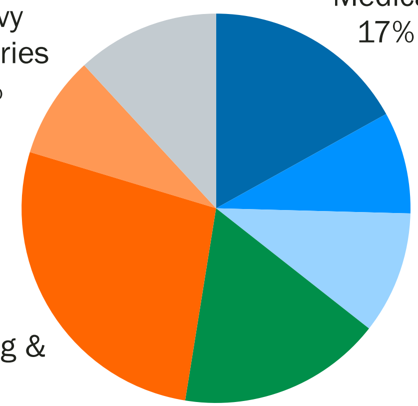
Balanced customer base across industries

Sales by customer segment



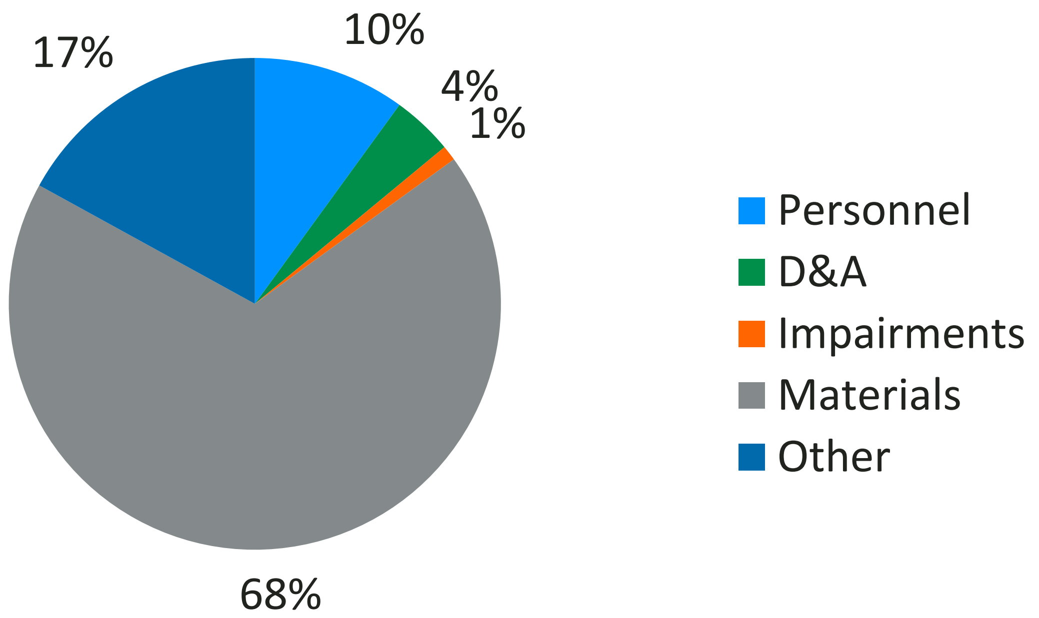
Sales by end-customer segment

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



FY 2012 Operative cost break-down

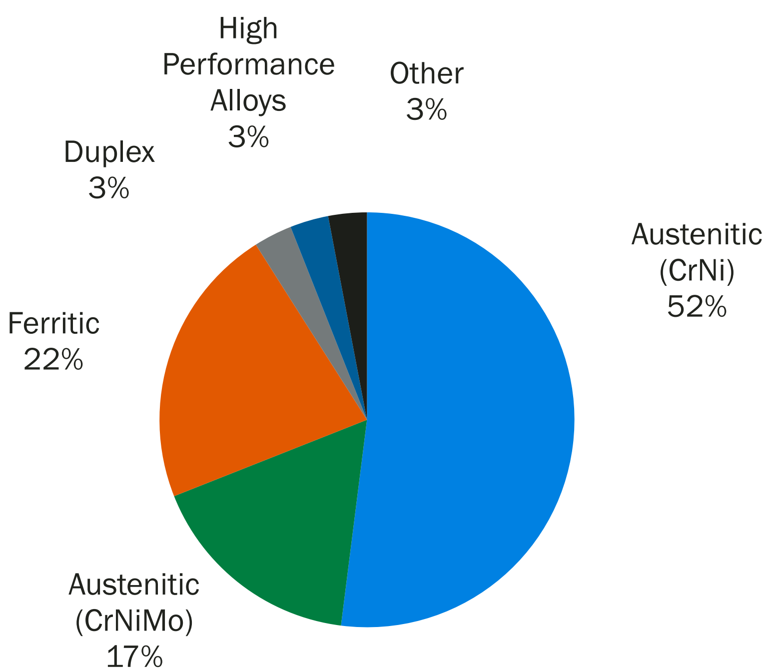
Split of total operative costs (Sales-EBIT) incl. one-offs and AST total costs [1)]



1) Unaudited management estimates.

Broadest product portfolio across stainless steel

Deliveries by product grade (mgt estimates 2011, excl. Terni)



- New Outokumpu has a broad product portfolio to serve all customers [1)]
- Significantly higher share of ferritic grades leads into reduced sensitivity to Nickel price volatility
- Outokumpu product mix closely resembles the overall market mix by grade

All product forms offered

1) Standalone Outokumpu had only a 5% share of ferritics vs. 22% for the combined entity.

Continued strong Ferritics capabilities for new Outokumpu in EMEA

Ferritic competence today	Ferritic options for the future

Possible bottlenecks from closure of Bochum can be counterbalanced by Tornio and Krefeld/Benrath

Melting today done at Terni, Tornio, Bochum and Krefeld (580kt of Ferritic melting in 2011)

- Melting will continue at Bochum.
- Tornio will increase its ferritic load: its liquid ferrochrome feed in Line 1 is very well suited for ferritic melting. Capacity of 500-600kt.

Hot rolling today done at Terni, Tornio, and Bochum.

- Hot rolling options being reviewed.
- Expand Tornio's existing hot rolling to include Bright Annealed products.
- Other options are Calvert or toll rolling.
- The combined group has 4 years before Bochum is closed and excellent ferritic know how.

Cold rolling centers of competence today are Benrath, Terni and Tornio.

- Cold rolling will continue in Benrath and Tornio.
- Benrath is planned to be relocated to the Krefeld site.