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Johanna Henttonen: Good afternoon, ladies and gentlemen, and warmly welcome to Outukumpu's 2015 and Fourth Quarter Results webcast. My name is Johanna Henttonen and I'm heading Investor Relations at Outokumpu. Today, I'm very happy to welcome you to this event, and we also have our new CEO, Roeland Baan, as well as our CFO Reinhard Florey, to give the presentation. Before we start I would like to remind you that certain information we'll be discussing is forward-looking and therefore includes uncertainties, and our actual results may differ from our current expectations. With this, I would warmly welcome Roeland to give the presentation. Please Roeland, the floor is yours.

Roeland Baan: Thank you Johanna. Good afternoon, thank you for coming. My name is Roeland Baan. I'm the CEO of Outokumpu since 4th January, and I must say I'm glad I'm standing here in that capacity and I'm glad to be able to lead a company with such a rich history and with such potential going forward into the future.

So I would like to give a general overview of the 2015 results and the Q4 2015 results in a general way, introducing it, and then handing over to Reinhard for more details. 2015 in brief has been a difficult environment. Of course dropping nickel prices throughout the year have influenced negatively a lot of elements, not the least the underlying demand at the distributors segment, where of course the destocking has been going on, affecting volumes specifically in North America. In Europe where we have less exposure to the distribution segment, this has been less of an issue. That brings me as well to the very positive side, which is on Q4 we had a stronger performance ending up into an underlying EBIT of minus 11 million, to a large extent driven by the situation in Europe, where first of all pricing has been rather resilient due to declining imports but, secondly, because of the measures, cost measures, that we have implemented in EMEA.

The other thing to mention as one of the highlights is the de-leveraging of our balance sheet. Due to the divestments in China, SKS, and Mexico, Fisher Mexicana, we have been able to significantly reduce our net debt situation to 1.6 billion and are now in a, I would say, more acceptable financial situation than before, not where we want to be but I'll come back to that in a moment.

The saving programs – I alluded to it already – have improved our results in EMEA significantly but we have generally speaking been very good in delivering on them – again I'll come back to it in more detail and Reinhard will have more of the numbers as well on that.

If you have a short look at the outlook for 2016, taking from SMR, the research firm, it still indicates that 2016 will not be a great year and, as we sit here together, I think we just look at the financial markets and the commodity markets and we don't need SMR to tell us that. It is obvious that it is not the sort of ideal world that we are looking forward to. Especially for us, we are seeing in Americas and Europe, if these predictions come up, a reduction, a negative growth, and for the world as a whole a more or less flat market for stainless steel. So that is the environment that we are looking at for next year.

Shortly back to 2015 and to a point earlier made, looking at the base prices for stainless steel, Europe has been very resilient in the last year, 2015, very much helped by the anti-dumping measures brought there in Europe, which probably is one of the reasons why we had the steep drop in the US because these Chinese volumes looked for a new home and unfortunately found them happily in the US, so the results in the US, in spite of the improvements we made ourselves operationally, have been under pressure because of those falling prices.

Further to the fall in prices, you know this graph – LME stocks have exploded in the last couple of years. There have been a small improvement recently but it's a drop in an ocean. It really is still at incredible high levels, pushing the nickel prices further down and keeping them down for the moment puts a lid on the nickel prices, especially if you then look as well at the general economic activity, where especially Asia, China, growth rates have come down, affecting the amount for the metal.

I said earlier the fall in nickel price specifically affects our demand from the distribution sector – segment. That is a larger segment in the US relatively speaking than in Europe, and as a result in Europe where you have good underlying demand still in the direct customers, that explains why we have resilient pricing in Europe versus the pressure in the US. To the earlier point of imports, on the left-hand you see the imports into Europe, and they're both in absolute as well as in percentage terms: they have come significantly down from 2015 over 2014, whereas if you go to the US you see conversely that they have come up significantly from an average of 25,000 tonnes a month to 34,000. That's a very, very significant jump and without any changes in the environment that pressure will remain.

The deleveraging, already said we got a good boost in the arm from the disposals, allowed us to significantly pay down our debt and over the years, from 2013 to now, coming down from 190% to now under 70% is one of the great positives in the story of Outokumpu of the last few years.

With that, a short visit to the synergy programmes and the cost programs. Reinhard will be more specific about it but what you see is that on the synergies program and the P250 restructuring program, we have basically reached the targets. Those programs are at an end so we've put a line under it. The same goes for P400, which is our net working capital program – that program we achieved, we over-achieved and it's closed. The EMEA restructuring is ongoing and you'll see that in 2016 there will be – a big part of the savings will start hitting. But still we see a significant gap between our performance and some of our competitors, and that gap needs to be closed so we are at this moment looking into further restructuring and cost measures as well as net working capital measures, which we will be – in the coming few months, we'll come out with more details.

With that, I would like Reinhard to come and present the more detailed numbers on the financial performance for 2015.

Reinhard Florey: Thank you very much Roeland. A very warm welcome from my side as well; very pleased to give you some more insights into the details and the colours of the numbers for Q4 and 2015. If we look at the overall performance, Q4 has from the operative side as well as from our net result, clearly improved towards Q3, and that is not only because of the quite significant impact from the transaction, but also the structural and operative measures that we have implemented clearly showed a positive impact there, so while our underlying EBIT is still negative with 11 million, it is an improvement. And a negative EBIT can never be the target and never be satisfactory but it is an encouraging sign that we are making progress, and specifically also in EMEA where we have progressed with the structural changes, with the closures of the meltshops in Germany have contributed now very positively, and this will continue to grow.

If we're looking at the operational environment, we are seeing that deliveries have more or less stayed at the same level to Q3 while sales have gone down 4% from Q3. If we look at 2015 compared to 2014 this is an even more pronounced effect. We have seen that there is some 170,000 tonnes less deliveries in 2015 and quite a significant lower sales coming from that, some 6.7% decline. However, that did not materialise dramatically in the change of our profitability. On the contrary, while underlying EBIT with minus 101 is more or less on a similar level, our net result has significantly improved and has reached a positive result with 86 million in 2015. We can also see that the number of people employed with Outokumpu has been, as we had anticipated, reduced quite significantly – more than 1,000 people left onboard compared to 2014.

If we look at the non-recurring items we can also see that there has been a quite significant positive effect there: 409 million from the sales of SKS, but also the non-recurring items from the Coil Americas where there was a cold-rolling effect still visible in the first half, as well as the restructuring and redundancy topic have clearly gone down and be reduced compared to 2014 with a lesser negative effect.

If we're looking at the savings programs, Roeland has introduced already quite a lot about that to you. We have reached our target of 470 million that we have been promising for 2015. The targets for the synergies programs as well as the P50 program have been done according to plan – no lapse of savings there – and we have also for the first time now a positive contribution from the EMEA restructuring from the E100 program with some 20 million of savings there. This program is going on and will yield another about 60 million positive in addition to what we have reached, so at a level of 80 million savings for 2016 and reaching the anticipated 100 million in 2017.

We have also talked about, in the past, about the one-time cost for the restructuring program of about 220 million, and we can say that we have taken care of all these kind of costs in our P&Ls already throughout the years ‘13, ’14 and ’15 so that there is only a very small increment still to be expected in 2016. While on the cash out, you can see that we have seen a quite significant negative impact from that, specifically on restructuring and redundancy costs, some 94 million in 2015, so also there only a significantly smaller number, at about 50 million, will incur in 2016.

From the cost savings to the working capital savings to the cash-relevant topics, we have over-achieved on the P400 programme quite significantly so that means that we have freed some cash of 574 million compared to end of 2012. There was also a significant increase between 2014 and 2015, however that was certainly also helped by lower material prices, lower commodity prices, which had a positive impact as well. We have seen that in total our inventory days are still at a comparably high level, so this is potential for the future. We are very much concentrating also in 2016 on this as a potential to further improve our networking capital and extract some cash from that.

If we go into some details to the business areas, starting with EMEA, we can say that there is a very positive development in EMEA and while Q3 was quite disappointing in results due to seasonal situations and overall difficult environment, we have been fighting back and Q4 clearly has been recovering and came out with an underlying EBIT of 34 million positive, so that we are seeing a quite significant positive number for the year also in Coil EMEA. We have to see that deliveries overall have not been on the same level as 2014 – they have declined by some 5%. Base prices also have gone down in average in 2015 by some €20 per tonne but overall we can say that the pricing environment has been more stable and resilient in Europe than in the US.

So, briefly coming to the US, there we are seeing that it is still a loss-making area. This is certainly driven by an even more difficult environment regarding prices, regarding import levels but also regarding the general consumption, specifically with some impact also from project industry and oil and gas industry there. So we came out at an underlying EBIT of minus 41 million, only slightly more positive, but we are seeing a little bit of a positive trend there. And on the deliveries we are clearly seeing that America is picking up: we are gaining market share. While the first half of the year still has been marred by the difficulties we had with the cold rolling mills in 2014 and therefore our delivery reliability was not good enough for our customers, this has changed. We have gained ground there: we have now 138,000 tonnes, so we are gaining speed again in the way how we are ramping up. In principle, if you see that base prices have been down more than $200 per tonne during 2015 compared to 2014, you can imagine that this has been not an easy environment but this is still a very important leg for us which we are striving to bring to profitability very soon.

Looking into the three other business areas very briefly: Asia of course extremely difficult market, extreme over-capacity there, and we have decided to take out our engagement regarding operations in Asia while we are still staying in the business with our import volumes from Europe, specifically also on specialty grades, which give us good results. So you can see that with the deconsolidation of SKS in December, also our fourth quarter results has clearly improved and is now at a minus 3 million level of underlying EBIT.

In Quarto Plate: Quarto Plate has been a difficult environment already in 2014 and we have been striving for a turnaround, and clearly there is a better result in 2015 and 2014 but it’s still negative, so efforts still have to go on and we’re seeing quite significant potential that this will come to positive numbers soon. Deliveries have been growing and this also shows the efforts that we are taking in Degerfors in Sweden in our main European part, and underlying losses have been reduced by – to a level of 23 million compared to 30 million in last year.

In Long Products: this is quite a resilient business however in fourth quarter, specifically the US business also has been hit by lower prices, overcapacities and difficult market environment, so we ended up with a small negative number of minus 3, but in total still a positive underlying EBIT for the year in Long Products.

Of course the main focus was not only on the structural improvement and operational improvement but also cash flow improvement, and there you can see quarter four had a very strong impact on our cash flow for the year. While operating cash flow was positive, specifically the net cash from the investing activities, which is the delta between the divestments and the investments, came out with 390 million positive and ended up at a free cash flow for the Group of 321 million. This also led to a free cash flow for the full year of positive 205 million and that helped certainly to deleverage the company in the way that Roeland has explained. Cash equivalents stayed more or less at the same level, as did also the liquidity, where we have a very comfortable level of 1.1 billion in the Group at the end of this year.

Financial stability has clearly improved, not only from the deleveraging and the improvement in gearing but also from the maturity situation that we have taken care of in quarter four by refinancing efforts. So we have renewed and extended a revolving credit facility to 2019 with a tranche of 655 million, and remaining additional 145 million maturing in February 2017.

Through the deleveraging we had been able to pre-pay and take down our exposure in our loans by significant value. And you can see that we now have maturities on a quite normal level for 2016 and 2017, whereas the bulk has been now shifted to time 2019 and 2020.

With that brief excursion into the financials, I would like to give back to you, Roeland, for the outlook and guidance.

Roeland Baan: Thanks Reinhard. So on outlook and guidance, first two levels set, again looking at the group projections via SMR, you will see that in Q1 2016 versus Q4 2015, what we see is an expected drop in real demand, both in EMEA and in the US of about 2%. So on top of that, and you have probably seen it today, the nickel has decisively dropped under 8,000 tonnes, so there is little wind in the back to be expected from there either.

However, in spite of these facts and in spite of the trading environment that we expect for 2016 as whole to be still pretty tough, we estimate that the first quarter delivery volumes will remain at a similar level as the fourth quarter of 2015. At the same time, I have been talking about the restructuring cost efforts in EMEA that will continue to work its way into our results. Although we see mitigating effects coming from there, that Q1 2016 will still be an underlying negative EBIT.

Now onto a bit of a different subject it is – it says here: The CEO's first 40 days at the office. There were weekends as well so it is not that bad. The last five weeks, what I have been doing to familiarise myself with the company is I have been travelling around extensively. And I have visited basically all our facilities, our major facilities, bar one; I haven't seen Sheffield. But for the rest, I have been to all of them.

And the one thing that I can say to my own comfort as well, is that we as a company have absolutely excellent assets. I have been totally impressed by what I have seen, to the point where, with my 15 years in the industry, comparing it to what I have seen which is common in our industry, we are ahead. We have better assets than the average. We have well invested assets, we have modern assets, we have assets that can compete with any other in the world. We have high levels of automation so that is a very clear signal for me that we have – the bones of the company are extremely sound.

The other thing that was very clear is our people. Walking around, talking to our operators, sitting at the pulpit, asking people about what they want, what they think, there is an absolute passion on what they are doing. There is an identification of the people with the company. They like the company, they want to succeed, they want to learn, they want to get better. So clearly we have the right elements to be competitive.

The other thing that is very obvious is that we have come a long way with the acquisitions and the whole restructuring that has been done. Coming in from outside and seeing it for the first time, what I have seen – and I talk especially about Europe – is that we now have an extremely well balanced system. You can't talk anymore about a plant here and a plant there. It is a balanced system where we have a great balance between the downstream and the upstream, the hot end and the cold end, that is operating as one organism together and that is very interdependent as well; highly efficient, very, very, again, well balanced as a system. So that's good.

Looking at the US, where you have a slightly different system because it's Calvert there as the main driver, again Calvert is a fantastic asset. It is an amazing asset with young, new people in there, people who do not come from our industry, who were in hotel management three years ago and learnt the business. And again, you see that same drive of wanting to succeed and wanting to learn. And we have -- we sent people fromTornio recently there to help and people suck up the thing. So there is a tremendous base. Still we are underperforming our competition; that is obvious.

So, and there are a few things there that I want to comment on. One is the focus of the company in the last three years has been very much how to digest an enormous acquisition. We bought a company the same size with its own very strong culture, with its own asset base that was optimised around what that company was. We needed to integrate that and that has been where the focus has been. It took efforts, resources, focus away from maybe what our core base business is. Still, the result is great. What we have here is fantastic, but now we need to bring this to the next level by refocusing on the base business, refocusing on the core. And I can guarantee that what I have seen and what I have heard and what I know, is that we can clearly see these areas of improvement. It is not something where you scratch yourself and say, 'What is wrong with us?' There is nothing wrong with us. It is basically you can see the areas of improvement, you can see the opportunities everywhere.

And that brings me to basically sort of broad outline what we need to do. And I start on the right side of this slide, the building of long-term competitiveness. If you go and look at the internal side of our plans, you see pockets of excellence everywhere. You see methods of working that are different but are good. What we do not have is a real manufacturing action system that brings up best practice, that drives performance, efficiency, etc. What we don't have is a very strong supply chain management that brings it all together and makes sure that we bring down our inventory so that we up our delivery performance, that we bring down our cash conversion cost. So there are enormous improvements that, in the old fashioned way, rather than selling assets as we have done in the past to make our money, we go back to the old-fashioned way of making money, which is concentrate on where the rubber hits the road in our business.

Same with the customer side. We have tremendous opportunity with our customers. We have great products, we have got a fantastic product portfolio, but we're not optimising it. We have to streamline that; we have to have the company led from the customer end in order to leverage on that part. These issues are not quick fixes. This is not a silver bullet, this is not 'flip of a switch' and we are there. This is a pathway to success. It will take years – three years, four years – before you're really there at your excellence point.

So in order to get there and to deserve the time to get there, we need to do a few quick fixes. And they are there as well. One of them very clearly is further bringing down our debt. For me, that is a primary objective is to deleverage the company further. And we have the opportunities. As Reinhard said and showed, we are still very heavy in our working capital and we have a very large chunk of money locked into our working capital that we can get out, I would say, without too much trouble. Again, it is down to hard work but we can get it out. We have sort of defined it. We are working it into details and there is significant improvement there.

The other one is SC&A. We are complex due to how we got together, how the company was formed and we have to get the complexity out. We have tremendous opportunity in bringing down our SC&A

costs. And not only does it take out cost, it brings efficiency that, in itself, is a flywheel to improve performance. So that is another thing that we are working on at this moment with my whole team, and with the other teams as well, to bring that to a very quick, short programme to take those costs out.

Obviously Coil Americas and you saw already we have a gradual improvement. We have a fantastic improvement in our volumes. In spite of the difficulty in the market, we see our market share growing. We are pretty successful there. We have a new team on board there. We have a new leader, Mike Williams, who has an incredible pedigree, a fantastic leader. He brought in, in October, a new operations leader, world class, and early January we got a new commercial leader in as well, in whom I put enormous faith. So we have a new team there, they are already moving fast ahead and things are happening. The costs are coming down due to the focus on manufacture. So I can see as well there the dynamics and the, the progress going to happen. So obviously there are many more things, but those are the things where we, in the short term, can make a difference, bring that debt down, get our initial results up, and deserve with that the longer term journey to sustainable excellence. Although we are a long way already in defining these plans, unfortunately I cannot yet share the details with you, but we will do so in the coming month. And with that, I would like to hand over to the floor.

Johanna Henttonen: Thank you very much, Roeland. Also I would like to welcome Reinhard here, so operator, we are soon ready to start the Q&A session with both Reinhard and Roeland. Okay. So as usual we will start the Q&A from the Helsinki audience, and I believe that we have [inaudible] with a mic, so if you do have a question, kindly raise your hand so we will get a microphone to you. And after Helsinki, we will continue with the conference call participants. So I believe, I think here we have one question, the first one.

Johannes Grasberger: Hi, it's Johannes Grasberger from Nordea Markets. My first question is related to the US operations, and the fact that one of your competitors has recently shut down their operations, ATI Allegheny, which I assume is releasing some 100,000/150,000 tons of market share? Any comments on that, whether you've already seen some effects on your operations for Calvert, maybe on increasing order intake or capex utilisation since the plant is shut down?

Roeland Baan: The only thing I can see is that our order intake progress in North America is in line with our expectations.

Johannes Grasberger: And those expectations are for, I suppose, improved order intake?

Roeland Baan: They are expectations for improvement, yes.

Johannes Grasberger: Okay. My second question is on the volume guidance for the first quarter, so stable volumes, but I suppose after the sale of SKS, is that comparable volumes between Q4 and Q1? So Q4 volumes are looked at without the volumes that SKS produced? Or is that not comparable, which means that there's more volumes coming out from another plant?

Roeland Baan: Well, first of all, SKS has already been deconsolidated in December, from the numbers. So you want need a huge difference there, and what we mean is that it will be on the levels that our, in the paper that you can see.

Johannes Grasberger: Alright. Then, actually, one more question on America. It looks like the average selling price in that segment is quite low compared to the market prices, whereas you're actually achieving, say, a premium price in the European operations, which to me means the mix in Americas is quite weak still compared to what the stable operations in Europe are doing. So should we assume that if the ramp up goes ahead at Calvert, the actual average selling price will improve from the current level, which also possibly has an impact on the bottom line?

Roeland Baan: So, the, it's true that currently our volumes in the US have been mainly going through the distribution segment. We clearly have plans to, to migrate part of our sales more into the so-called bill of materials and into direct customer, customer sales. However, it is an effect of the market that in the US, just in general, the distributor segment is much more significant than it is in Europe. But yes, we are moving up the mix.

Johannes Grasberger: Okay, and the final question is on the SMR forecast for minus 2% demand in Europe and the US during this year. Maybe a couple of words on that, because the euro is still weak, and exports from Europe are increasing, so which segments do you see are actually coming down? Because construction, looks like that is bottoming out, automotives are doing fine, so, just a couple of words on that, what is taking down the demand?

Roeland Baan: Though indeed automotive is running fine, you have other sectors where it's pretty poor. Oil and gas is obviously down significantly. Heavy industry is expected to be down significantly, and then again, the famous distributors, that is still a factor in the market that you have to count on. You saw the graph, over 50% is distributor volume for the market as a whole, and as long as nickel prices remain depressed with a tendency down, the volume will be low.

Johannes Grasberger: Okay, thank you.

Erkki Vesola: Hi, it's Erkki Vesola from Swedbank. A couple of questions from me as well, coming back to Coil Americas. For the market, is there any prospect after, heavy profit, that the base prices will improve in the Americas market, in the course of 2016?

Roeland Baan: I would assume that the prospect is always there. I think the issue is that there are many unknowns and uncertainties, the volatility is there, and obviously if volatility abates and stabilisation comes into the market, you would see potentially an improvement. But to speculate on that is wrong.

Erkki Vesola: And linked to that, how much should the base price improve in order for you guys to reach breakeven level at Coil Americas?

Roeland Baan: I, I would like to not comment on that.

Erkki Vesola: And then more housekeeping question regarding 2016 capex, is there any guidance?

Roeland Baan: Our 2016 capex will be around 140 million.

Erkki Vesola: Okay, thank you.

Johanna Henttonen: Do we have more questions from Helsinki at this point? If not, operator, I think we are then ready to move to the conference call participants? I would also ask, of course, conference call participants. I would ask conference call participants to identify themselves before the question. Thank you.

Operator: Thank you. Ladies and gentlemen, if you do wish to ask a question, please press 0 followed by the 1 on your telephone keypad. The first question comes from Seth Rosenfeld from Jefferies, please go ahead, your line is now open.

Seth Rosenfeld: Good afternoon, this is Seth Rosenfeld at Jefferies. A couple of different questions, first starting out on the balance sheet. Obviously you've had some success deleveraging significantly in the past quarter, driven by asset sales, but you noted earlier on the call your goal of further reducing that debt in the near term. I recognise you can't say a lot, I suppose, but can you just give us some targets for medium term, what sort of level you would like to be at, either in terms of absolute net debt, or perhaps gearing and that's where your covenants are? Also, you've made some progress recently refinancing your debt in order to reduce your annual cash outflows. Do you see further opportunity for that in the medium term? Or is that going to be something that you've kind of hit the nail on the head thus far? And then separately, a question on outlook for the EU. Clearly last year's anti-dumping measures helped block imports from China and Taiwan, but we have seen growth in volumes from other countries in recent months. How is that affecting your business? Are these new volumes as damaging to price as China was, and are you ultimately seeing more downward pressure looking out into the spring of 2016? Thank you.

Roeland Baan: So, Reinhard, you can take the first part.

Reinhard Foley: Yes, sure. Thanks, Seth, for the question. Regarding in general the asset sales, of course that had a significant positive contribution, and we see that also as part of active management of the company, that we optimise the balance sheet by non-negative measures, so please keep in mind that with the assets that we have taken out, we have not reduced our EBITDA potential that we have in the company. So these were not heavy EBITDA contributors, on the contrary, there were negative results coming from that. So in that sense, of course, this is some extraordinary profits that we had. But the overall deleveraging was also coming from some operative profits around the network in capital. If it comes to medium term targets, please bear with us that this is not the time yet before specifically Roeland has taken up the full view and his program to talk about medium targets. But one thing is for sure, deleveraging will go on. If it comes to refinancing, yes, the refinancing efforts have been taken from our point of view, hopefully at the right time and the right scope. Regarding further refinancing, there are always opportunities for us. We have access to several pockets of money in the market, be it daily money in terms of local markets, or be it bonds. There is one pocket that we are not planning to look into, that is any kind of rights issue or something like that, that is not on the agenda. But other possibilities we have. But we'll calibrate that very much with opportunities regarding cost and, and the possibility to have further improvement of our interest costs there, so we will not have to take any steps which will deteriorate this, on the contrary our target clearly is also to take our interest costs down.

Roeland Baan: As far as the question around the anti-dumping and the effects that we see for 2016, as you saw, there was a significant impact in 2015 on imports, however, there will still be of course import pressure coming from countries like India, South Africa with the low rand, etc., which will put a natural cap on what you can and cannot charge. However, as said before, prices have been very resilient and we expect that to continue.

Seth Rosenfeld: Great, thank you very much.

Operator: Thank you. The next question comes from Bastian Synagowitz from Deutsche Bank. Please go ahead, your line is now open.

Bastian Synagowitz: Firstly, can you first give us a little bit of colour on whether you think that we've reached the trough in Q4, and whether we'll already see at least a little bit of improvement on the first quarter? And then secondly, given that fourth quarter volumes weren't actually that bad, actually, they were quite good, how much of any future improvement to get to EBITDA breakeven is really in your hands? Or is this maybe more a function of what the market and maybe base prices are doing? And then the last question is for Roeland, you already gave us quite a bit of colour and detail on what you think needs to change which is great. You also said you're not planning to divest any asset near term, which I guess is very understandable and I guess certainly the good price you got for the SKS asset has basically given you a lot of time on the balance sheet now. However, we're obviously still having the asset which is probably state of the art in theory, but current EBITDA and run rhythm, and I'm referring to Q4, is basically burning at least 14% of your market capitalisation in cash per annum. So clearly this needs to be fixed very quickly one way or the other. I appreciate that it makes a lot of sense to try to solve the situation on a standalone basis, but would you categorically rule out any strategic partnership or even putting the asset up for sale, should you not be able to fix the cash point quickly? Thank you.

Johanna Henttonen: Bastian, it's Johanna here, could you please repeat the early part of your first question, because we didn't actually hear here if you meant Group as a whole or specifically some of the business areas?

Bastian Synagowitz: Right, sure, sorry for that. So I was referring to whether you could give us any colour on whether you think that we've reached the trough in Q4 and whether we will already see a little bit of improvement in Q1, and basically the second part of this, of this question was whether you think that getting to EBITDA breakeven is really more in your hands, or whether this is more a function of what the base price is in the S2 from here onwards.

Johanna Henttonen: Thank you. So Coil Americas related question.

Roeland Baan: So I would take the question one and two as one, if you don't mind. I feel that we always have to do what we can to make sure that we are as resilient as possible and as robust as possible in whatever environment we're operating in. So our own efforts to reduce costs, to improve mix in the market, and to increase our share are to me, the most important moves. Ultimately of course, there are always things in the market we cannot control, and we need to make sure that we suffer from those less than the others. Whether the Q4 is trough, it's a matter of, can you look into the crystal ball and tell me what happens to nickel prices, Chinese imports, etc. It's not something that you can answer, but again, the thing I can answer is that we will improve our own controllable gain, and bring it to best in class. Will we contemplate divestment of our assets or partnerships or, I would say at this moment, very clearly, that the, the US operations are a key cornerstone of our strategy. Even if you have a short term outlook that doesn't look great given what we see in the markets and nickel prices, that doesn't take away the long term strategic importance of that asset.

Bastian Synagowitz: Very clear, thank you. Maybe one brief follow up on the debt situation, if I may? If I remember correctly, there was a step up clause in one of your bonds, if you're not getting a rating by 2016. Could you give us any update on the situation, and maybe share with us the impact of not getting a rating by the end of the deadline?

Reinhard Foley: Sure. That is correct, there is a step up clause in one of our bonds, it's about a 250 million bond, so not a very large part. The topic of rating is, for us, always in the agenda. The topic of timing is to be assessed when it is appropriate for the company to take that, and that is not something that it would be appropriate to comment about at the moment, but I'll say it is on the agenda and timing will be more or less communicated when we are at a moment where this is beneficial for the company. You will have certainly a good understanding that the current situation in the market is difficult, but on the other hand, Outokumpu is improving, so we have our hands in that.

Bastian: Perfect, thank you, and thanks for taking my questions.

Operator: The next question comes from Luc Pez from BNP Paribas. Please go ahead, your line is now open. Luc Pez from BNP Paribas, please go ahead, your line is open.

Luc Pez: Hi gentlemen, sorry, I did not recognise my name. Couple of questions if I may, as a follow up on your first thinking, Roeland, with regards to need for more cost cuttings, could you maybe share with us if you, I mean, I know it's a bit early stage, the need for more closures, or would you have more in mind, the idea of a bit of clustering some of the sites as some of your competitors do? That would be my first question, and the second question related to anti-dumping would be the following, do you see room for more anti-dumping measures in Europe, targeting India or other countries? And where do you stand with regards to anti-dumping in the US? Thank you.

Roeland Baan: Okay, thanks Nick. Luc,– sorry. So, on closures or clustering, as I said, in the US, there's nothing to cluster because basically that is Calvert, which is then following a tandem specifically with Mexinox. In Europe, we have, we have reached a very balanced state of affairs. If you take the, what we have in the upstream side in our hot rolling combined with cold rolling, combine that as a system, it is very balanced. If you would take out any more capacity, de-cluster or close, you would upset the balance and actually do yourself a disservice. So I don't foresee that at this moment. As to anti-dumping measures, whenever there is unfair competition, we will actually of course actively try to have it investigated, wherever it comes from, whatever product it is. That goes for Europe, but it goes for the US as well.

Luc Pez: Do you have any fining in mind, timing, whatever?

Roeland Baan: We have nothing in mind. We are looking into it of course, actively, and again as I said, if we have the feeling that there is unfair trade, the we will push for investigation.

Luc Pez: Thank you.

Operator: The next question comes from Johannes Grunselius Handelsbanken, please go ahead.

Johannes Grunselius: Yes, hello everyone, it's Johannes Grunselius, Handelsbanken, Stockholm here. Just a few questions. I'm curious to hear a little bit about your initial thoughts here on cost savings. I realise this is very early stages but could you give us some kind of hint, what kind of magnitude, scale we are talking about here? Thanks.

Roeland Baan: I could, but I won't.

Johannes Grunselius: Oh, okay.

Roeland Baan: We are – again, we have identified a number of areas. We are – I have mobilised a large part of the senior management in the company. We actually had a meeting with the 50 most senior leaders early last week, to go through the potential programs, to do more defining. We are back working to put meat on the bone and as said earlier, watch this space. In the next couple of months we will come with details.

Johannes: Okay, but I mean it clearly sounds that there is something quite tangible going on here, am I right?

Roeland Baan: Yes.

Johannes Grunselius: Yes, thanks, and I'll wait for the details. When are you presenting those? Will that be in conjunction with the Q2 report or will it come in between quarters – quarterly reports? Or – do you know that at this stage?

Roeland Baan: We don't know it at this stage, but I like your persistence.

Johannes: Okay. Then I have also a question on the markets. Could you give us a little bit of an update what's your insights into the inventories in Europe among your – you know, in the systems, among distributors, and if you also could give us an update, on where we are in terms of inventories in the US please?

Roeland Baan: So, in both regions de-stocking has been going on, and we are basically at either average or below average levels in both regions. That doesn't however, automatically translate into increased demand. The only thing you can say is that there is less room for de-stocking that there might have been in the past, but what we see currently is that the distributor sector lives hand to mouth as long as the nickel prices stay depressed.

Johannes Grunselius: Right. Then I have a final question, and that's your thoughts on the base prices in Europe. I mean, you said it several times here in the presentation. Those are pretty stable, although the market situation is so tough. What are your thoughts on that? How come that the base prices have held up that well in this weak market?

Roeland Baan: I think it is because of the underlying demand that we have, still experiencing in Europe. We were talking about the auto motor sector, which of course is a big driver in Europe. Very healthy. The white goods is still very healthy. So, I think that plus the fact that it is automatically a higher end market, where it makes a difference where the material comes from, and have less effect, will stabilise pricing.

Johannes Grunselius: I see. Thank you very much for your answers. Thank you.

Operator: The next question comes from Kevin Hellegard from Goldman Sachs. Please go ahead, your line is now open.

Kevin Hellegard: Hi there. Good afternoon. I just want to hear, given what you have done on your net debt and your interest costs, can you get any sort of flavour of around which level of EBITDA you will be free cash flow breakeven at this stage?

Reinhard Florey: Just to get your question right. The free cash flow has been at 205 positive for this year. So, in that sense we are clearly more than break even for this year.

Kevin Hellegard: Yes, but it's just like, what level do you need to be breakeven. I guess that was a lot of divestments in here as well. Like, what level of EBITDA will you roughly need to be at to be breakeven?

Reinhard Foley: Well, maybe just to give you the building blocks there. What we are having in addition to our EBITDA cash flow, we are having some depreciation which is not cash relevant in the magnitude of some 230 million, but if we are taking the investment costs we said that the total investing interest costs that we have here, is about 160 million in 2015 which will go down in 2016, and if you take the capex, Roeland has already given the number, so if you add that up, there is not a lot of tax payment that we would have on the cash side, so that gives you roughly the number of EBITDA.

Kevin Hellegard: Okay. Thank you.

Operator: The next question comes from Hjalmar Ahlberg from Kepler Cheuvreux. Please go ahead, your line is now open.

Hjalmar Ahlberg: Hello. Thank you. Just on US and the base prices. You've announced a base price increase in January, 160, but you're not saying how much that will actually be effective in in 2016. Can you elaborate a bit on that? And can you also say, if the high prices will mean potentially a negative impact on volumes, as you've been able to compete with low prices in Q3 and Q4.

Reinhard Foley: Yes, so, start with the second part. We don't expect an influence on volumes from this. We have to see for a 4Q to what extent this price rise sticks. So, we don't have the full visibility on that yet.

Hjalmar Ahlberg: Okay, and then a question on the scrap market. Can you quantify the effect that increased scrap prices had in Q4 and what is reported for Q1? Will you see increased prices in Q1 as well or have you seen it stabilising?

Reinhard Foley: Well, on the scrap prices we do not give any kind of details. I mean, this is a very strategic way of – our procurement works how our use of that works. There have been some negative developments. That is very clear because the availability of scrap with such poor nickel prices is subdued, but that has nothing to do that we would not have enough scrap, but there is some negative impact there, but we will not quantify that.

Hjalmar Ahlberg: Right, and then just on base price in Europe. You were able to increase prices of around €15 in Europe. Do you see this holding up in Q1 or do you see it reversing as prices have just been not increasing in general?

Roeland Baan: Again, we do not comment on pricing, but I think the guidance was clear enough.

Hjalmar Ahlberg: Okay, and just the last one. On Degerfors, you said your payment increased, standard products in that business area. How do you think that will affect profitability? And are you increasing your volumes by taking market share to see the market growing?

Roeland Baan: So, due to increased efficiency, we have been able to lower our overall costs on the products and as a result we now have access to parts of the commodity market we would maybe have shunned in the past.

Hjalmar Ahlberg: Okay, I see. Thank you.

Operator: Thank you, as another reminder, to register for a question please press zero followed by the one on your telephone keypad. The next question comes from Mike Shillaker from Credit Suisse.

Mike: Yes, Mike Shillaker of Credit Suisse. So, three or four questions if I may. One question briefly which may have been answered and if it has I apologise. Just on Q1, the implied guidance. Is that – that's weaker than Q4 I think given the comment that costs will only, sort of partially mitigate the current downward pressure on base price as well as the increase in scrap costs. So, is that correct? And is there any form of quantification you can give for how much weaker you think Q1 would be?

The second question, more, sort of, strategic for Roeland. How are you looking at the cycle? How do you build a long-term cycle into what you think you need to do at Outokumpu, because I think if we look at the last seven or eight years since the crisis, a lot of CEOs have come up with cost reduction plans that have consistently been eaten away by a weaker cycle, so how do you, sort of, build that into your thinking so that you actually get ahead and we actually start keeping cost reductions as opposed to just treading water? Because I think that's really going to sort out the men from the boys going forward? And another question for Roeland as well, look, your time with Aleris and Mittal and I guess especially at Aleris which I think was quite a turnaround story. Can you give us some sort of feel in terms of what you did there? What was similar between what you see there and what you achieved there, relative to what you think you can achieve at Outokumpu. Because obviously, I totally appreciate you're not going to give targets, but it would be quite interesting to see what you think you did in Aleris especially that you could compare with Outokumpu. How do you see the challenge at Outokumpu relative to the challenges you had at Aleris and Mittal, thank you.

Roeland Baan: If I can start with the Q1. What you said is the implied guidance. I would say that's your interpretation rather than what I said, so leave it at that. When we get to the long-term cycle versus the cost reductions, are they sufficient? I think what I said before. I see – we have done a lot of cost reductions that have come out of the restructuring where you have a lot of assets in one heap that you have to then streamline and get into something that has industrial logic that has been done. That has led to a lot of cost reductions, not necessarily to your sustainable competitiveness yet.

The next level that we're looking at is addressing that sustainable competitiveness. As I said before, there is absolutely no reason in what I see and in what I have identified as opportunities, that we cannot be one of the most, if not the most competitive player in this field. By definition that makes you, not impervious, but much less vulnerable to any of the cycles. So I hope that answers your question. It's not just, in other words, pure costs cutting. It is also to get into your operation excellence, to be more competitive than the next guy.

That brings me a little bit to your last question on Aleris. The programme we set up there was very much around indeed optimising the portfolio, and optimising the portfolio was on the assets, on the products and on the customers. So, we went through a similar exercise there, where we closed some of the facilities in order to get better utilisation in what was left and the better facilities. We sold some of the non-core businesses that we had, which you could like to what we have done with SKS, and we very much focused on the market side. So, we tilted the company from an asset-lead organisation to a sales led and customer led organisation, which brought us very clear advantages in – especially again the higher added value segments that we targeted. We also, and I think this is the one thing that is very similar, we also in Aleris did not have a clear manufacturing excellence operation system, which we introduced, and which over the period of five years we got operating and which basically almost guaranteed productivity gains of, in the first instance 4 or 5% per year, and then as you get the low hanging foot out, we still gained 2-3% a year on productivity, based on the programme of excellence and the sharing of best practice, so a lot of the issues there are the same as we have here in Outokumpu. Which brings me to the point where I said, ' I think we know what to do.'

Mike: Okay, and just – so a follow up question on that. So, sort of, five years was a plan but you said that actually, you know, tangible results starting come through relatively quickly after maybe one year?

Roeland Baan: The tangible results started filtering through early on. The size of it is something else but, yes, you will, within the early days of 18 months of the programme you will already see a bite significantly.

Mike: Okay, and just on Coil Americas. How much do you think, so far, give what you've looked at, has been just mismanagement or bad management of the asset? And how much do you think has just been just bad luck, bad cycle, because again, you know, I don't know where we'd be if we did not have the US destock last year, but when you look at it, how much do you think effectively the performance has just been impacted by the fact we've just been in a massive de-stock, and where do you think we would be without that?

Roeland Baan: Mike, I find it very difficult to answer the question. I wasn't there in the years when this facility was built and started up. I don't know the circumstances under which it was done. I don't know what the market did in those days. So, it's very hard to comment. What I do know is what I see today, which is a plant that has a fantastic flow going through, that has great assets, that has people that – and maybe that's the only thing where I see the great advantage, that have been trained over the last few years to get up to a level where they understand the business and the equipment they're using, and where there is this enormous wish for improvement, and that is what I bank on.

Roeland Baan: Okay Roeland, thanks for your answers and good luck.

Operator: Thank you. There appear to be no further questions. I'll return the conference back to you.

Johanna Henttonen: Excellent, many thanks. Any more questions here in Helsinki? Alright, it looks that everything's clear. So with that, I would like to thank you for participating today in this conference call and webcast. Thank you Roeland, thank you Reinhard and also a reminder of our Q1 report, will be out on 27th April. Thank you so much.