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## OUTOKUMPU CONFIRMS AGREEMENT IN PRINCIPLE WITH THYSSENKRUPP TO CREATE A GLOBAL STAINLESS STEEL LEADER

Outokumpu confirms that it has reached an agreement in principle in its negotiations with ThyssenKrupp to combine Inoxum, the stainless steel unit of ThyssenKrupp, with Outokumpu under the operational leadership of Outokumpu. This is pending the approval of Outokumpu's Board of Directors later today and execution of definitive agreements.

The agreement reached with the German labor representatives overnight marks a significant milestone in the negotiations. Specifically, it covers the following areas:

- Closure of the Krefeld meltshop by end of 2013.
- The melt shop in Bochum will be preserved until the end of 2016.
- No compulsory redundancies in German production sites until end of 2015.
- Planned total reduction of 850 jobs in Germany of which ThyssenKrupp has committed to offer alternative jobs within ThyssenKrupp for up to 600 of current Inoxum employees.

According to the tentative agreement reached with ThyssenKrupp, the transaction would value Inoxum at an enterprise value of EUR 2.7 billion. The Consideration for Inoxum would comprise a cash payment of EUR 1 billion, new Outokumpu shares representing 29.9% of total share capital (post rights offering and directed share issue to ThyssenKrupp), a loan note of EUR 235 million (initial value) to be issued to ThyssenKrupp and the assumption by Outokumpu of certain liabilities of Inoxum of EUR 422 million. In connection with the transaction, Outokumpu plans to conduct a fully underwritten rights offering of EUR 1 billion, supported by certain key shareholders.

The combination would create significant cost synergies, starting in 2014 and estimated to reach a run-rate of EUR 225-250 million p.a. by 2017 at the latest.

Any definitive agreement would be subject to customary closing conditions including regulatory approvals.

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OUTOKUMPU OYJ

*Outokumpu is a global leader in stainless steel with the vision to be the undisputed number one. Customers in a wide range of industries use our stainless steel and services worldwide. Being fully recyclable, maintenance-free, as well as very strong and durable material, stainless steel is one of the key building blocks for sustainable future. Outokumpu employs some 8 000 people in more than 30 countries. The Group's head office is located in Espoo, Finland. Outokumpu is listed on the NASDAQ OMX Helsinki. [www.outokumpu.com](http://www.outokumpu.com)*

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