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OUTOKUMPU - PUBLICATION OF THE FINNISH LANGUAGE PROSPECTUS RELATING TO THE RIGHTS OFFERING OF OUTOKUMPU

Outokumpu Oyj will publish today the Finnish language prospectus related to the rights offering of 1,274,020,027 new shares in Outokumpu. The Finnish language prospectus approved by the Finnish Financial Supervisory Authority will be available on Outokumpu's website www.outokumpu.com/osakeanti as of today and, on or about 14 March 2012, at the subscription places for the rights offering.

The terms and conditions of the rights offering were published in a separate stock exchange release on 7 March 2012.

The Finnish language prospectus contains following previously unpublished information (terms used in this document shall have the meanings assigned to them in the prospectus):

EUR 400 million Revolving Credit Facility

Outokumpu has signed a commitment letter with a syndicate banks (Nordea Bank Finland Plc; J.P. Morgan Limited; Merchant Banking, Skandinaviska Enskilda Banken AB (publ); Danske Bank A/S, Helsinki Branch; Pohjola Bank plc; Svenska Handelsbanken AB (publ), Branch Operation in Finland and BNP Paribas) relating to a EUR 400 million committed multicurrency revolving credit facility that is for working capital purposes and will mature in June 2013. The commitment letter includes the principal terms of the credit facility, including customary covenants, customary events of default and a customary change of control clause. The commitment letter also includes a financial covenant based on gearing (as defined in the agreement), which requires Outokumpu to maintain a level of gearing that is equal to or lower than 115 percent. Documentation relating to the credit facility is scheduled to be finalized by the end of April 2012.

Combined Group's Key Strengths

Outokumpu believes that the Combined Group would have various strengths resulting from the Inoxum Transaction and integration of Inoxum into Outokumpu's existing stainless steel business, including the following:

Creating a New Global Leader in Stainless Steel with Operations Across Five Continents

The Inoxum Transaction would create a new global leader in stainless steel in terms of annual cold rolling production capacity. The Combined Group would have more than 150 percent of the annual cold rolling production capacity of its next closest competitor (taking

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Corporate Management

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into account the anticipated capacity of the Calvert integrated production facility, which is scheduled to be completed by the end of 2012 and ramped up to full production capacity in 2014) (source: CRU, November 2011). The Combined Group would have a production base and distribution network across five continents in Europe, North and South America, Asia and Australia and is expected to benefit from the combination of Outokumpu's and Inoxum's complementary product offerings and customer bases. For the fiscal year ended December 31, 2011, the Combined Group would have had pro forma sales of EUR 11.6 billion and as at December 31, 2011, the Combined Group would have had approximately 19,000 employees and an annual cold rolling capacity of 3.4 million tonnes.

The following table sets forth annual cold rolling capacities by stainless steel producer:

	Annual cold rolling capacity (tonnes in thousands)
Outokumpu and Inoxum(1)	3,445
Inoxum(1)	2,490
POSCO	2,225
Acerinox, S.A.	2,063
APERAM, S.A.	1,710
Taiyuan Iron & Steel (Group) Co., Ltd. (TISC	1,510
Yieh United Steel Corporation (YUSCO)	1,350
Baosteel Co., Ltd	1,260
Outokumpu and Inoxum(1)	955
Allegheny Technologies Incorporated (ATI)	801

Source: CRU, November 2011. The capacity currently being built at the Calvert production facility has been added to the CRU data. The information above does not take into account additional capacity potentially announced by the other producers and also does not take into account any announced capacity reductions.

(1) Includes the Calvert integrated production facility (annual cold rolling capacity of 350,000 tonnes), which is scheduled to be completed by the end of 2012 and ramped up to full production capacity in 2014.

The Combined Group would have production operations on three continents, providing it with a platform for expansion into forecasted growth markets and enabling it to serve customers globally.

In Europe, the Combined Group would have significant capacity for producing standard stainless steel products in the two countries that are the largest consumers of stainless steel in the EU (source: CRU, November 2011). In the Nordic region, the Combined Group's main facility would be the Tornio Works integrated production facility in Finland. The Combined Group's European production of specialty stainless steel products would be concentrated in Sweden and the United Kingdom.

In North America, the Combined Group would have standard stainless steel production capacity at the Calvert integrated production facility in the United States (scheduled to be completed by the end of 2012 and ramped up to full production capacity in 2014) and the cold rolling facility in Mexico. Outokumpu expects that upon completion, the Calvert integrated production facility, combined with the cold rolling facility in Mexico, would provide the Combined Group with a platform from which to expand sales to certain Latin American countries. The Combined Group would also have specialty stainless steel production facilities in the United States, primarily producing quarto plate, long products and tubes.

In Asia, the Combined Group would have a cold rolling facility joint venture with SPS and an established distribution network, which Outokumpu expects would provide the Combined Group with a platform for growing sales in Asia in line with Outokumpu's strategy to expand in the region.

Improving Global Production Efficiency and Capacity Utilization

Outokumpu believes that the Combined Group would be well positioned to strategically improve the utilization of production capacities, production locations and supply routes among utokumpu's and Inoxum's production facilities, especially for the production of standard stainless steel products. In recent years, each of Outokumpu and Inoxum has experienced low capacity utilization levels, primarily resulting from its excess melting and hot rolling capacity in relation to cold rolling capacities. As customer demand has primarily been for cold rolled products and white hot band, Outokumpu and Inoxum have been unable to fully utilize their melting and hot rolling capacities, which has had a negative effect on their profitability. The planned closures of the Bochum and Krefeld melt shops in Germany and the planned termination of Nirosta's hot rolling agreement with ThyssenKrupp at Bochum would reduce the Combined Group's underutilized melting and hot rolling capacities without affecting product offerings or the production capacity of saleable products as production volumes from the closed melt shops are expected to be transferred to the Tornio Works and Terni integrated production facilities. Outokumpu, ThyssenKrupp and the German employee representatives have reached an agreement regarding the production facilities and employment protection in Germany. According to the agreement, the Krefeld melt shop will be shut down by the end of 2013 and it is envisaged that the Bochum melt shop will be closed by the end of 2016. The economic viability of the Bochum melt shop will be reviewed prior to the final decision regarding its closure.

In addition, the Combined Group would have two integrated stainless steel production facilities with among the lowest per unit production costs in Europe: the Tornio Works integrated production facility in Finland and the Terni integrated production facility in Italy. These production facilities have been operating at less than optimum capacity utilization levels and Outokumpu expects to transfer production there following the planned closures of the Bochum and Krefeld melt shops. This is expected to result in cost savings from the use of these more cost efficient facilities and their higher capacity utilization levels. With the expected lower production costs, Outokumpu expects that the Combined Group would be better positioned to compete with stainless steel imports from Asia.

Outokumpu also expects that the Combined Group would reorganize its European cold rolling operations, including potentially closing thin cold rolling capacity in Sweden, in order to reduce costs. By transferring cold rolling production from Sweden to the Krefeld and Dillenburg cold rolling facilities, Outokumpu expects that the Combined Group would be able to increase profitability by increasing capacity utilization levels at its larger and more specialized facilities.

In North America, Outokumpu expects that the Calvert integrated production facility would enable the Combined Group to reduce production costs at its cold rolling facility in Mexico. When Inoxum's new Calvert integrated production facility is ramped up to full production capacity in 2014, Outokumpu expects that Inoxum's cold rolling facility in Mexico will be supplied with feedstock from Calvert rather than from Italy, which is expected to significantly reduce transportation and overall production costs as well as working capital.

Complementary Broad Product Offering Across All Stainless Steel Grades, with Further Revenue Diversification from HPAs

The Combined Group would benefit from Outokumpu's and Inoxum's complementary broad product offering as Outokumpu is a leading producer of austenitic and high value added duplex grades while Inoxum is a leading producer of ferritic grades and high value added HPA products. Annual stainless steel delivery volumes for the Combined Group would have been approximately 73 percent austenitic grades, approximately 23 percent ferritic grades, approximately 3 percent duplex grades and approximately 1 percent other grades (based on Outokumpu's deliveries for the year ended December 31, 2011 and Inoxum's deliveries for the fiscal year ended September 30, 2011). As the Combined Group would have a more diversified stainless steel product offering than either Outokumpu or Inoxum, Outokumpu expects that the Combined Group would be in a better position to address any potential changes in market demand.

In addition, the Combined Group's revenue base would be further diversified with the addition of Inoxum's HPA product offering, which primarily serves customers in the oil and gas, chemical processing, automotive, energy production and distribution, electronics, medical and aerospace industries. For the fiscal year ended September 30, 2011, 18 percent of Inoxum's net sales were derived from HPAs, which generally have higher margins than stainless steel products.

Greater Revenue Diversification from Complementary End Markets and Greater Access to End Users

For the year ended December 31, 2011, approximately 64 percent of Outokumpu's sales were to distributors and processors and approximately 36 percent were directly to end users. The Combined Group is expected to have a greater percentage of direct sales to end users as Inoxum has historically had greater direct exposure to end users and, accordingly, a greater percentage of long-term sales contracts, than Outokumpu, which Outokumpu expects would improve earnings visibility and facilitate the planning of production and deliveries. In addition, the Combined Group's greater percentage of direct sales to end users and the resulting direct contact with end users is expected to improve the Combined Group's ability to monitor market demand.

The Combined Group's end user customer base is expected to be more diverse than that of either Outokumpu or Inoxum. The majority of Outokumpu's deliveries to end users are to capital goods serving industries, such as the process and resources equipment manufacturing, chemicals, petrochemicals and energy, and transport sectors (approximately 68 percent for the year ended December 31, 2010), while a majority of Inoxum's deliveries to end users are to more consumer driven industries, such as automotive, household goods and white goods (approximately 50 percent for the fiscal year ended September 30, 2010). The resulting exposure of the Combined Group is expected to be better balanced between the capital goods and consumer driven industries, with capital goods driven industries representing approximately 45 percent of deliveries to end users (excluding deliveries to distributors and processors) and consumer driven industries representing approximately 40 percent of deliveries to end users on a combined basis (based on Outokumpu deliveries for the year ended December 31, 2010 and Inoxum deliveries for the fiscal year ended September 30, 2010). In addition, the Combined Group is also expected to be less exposed to more cyclical industries than Outokumpu and to be well positioned to take advantage of forecasted growth in certain industries, such as chemical, petrochemicals, energy and transportation (source: SMR, January 2012).

Customer Benefits from Enlarged Sales Force, Distribution Network and Service Center Capability While Reducing the Combined Group's Costs

The Combined Group would have one of the largest stainless steel distribution networks in the world, including countries in which only Outokumpu or Inoxum have operations, such as Spain, Mexico, Turkey and Argentina. Through this global network, the Combined Group would be able to offer customers a larger, more diverse product offering due to the complementary broad product offerings of Outokumpu and Inoxum. The Combined Group would also have a global HPAs distribution network with three stock and service centers, 14 subsidiaries, four representative and sales offices and sales agents operating in more than 40 countries, including sales agents in growth markets such as China, India, the Middle East and Russia.

The Combined Group would also have strong research and development capabilities to serve its customers' needs, with facilities in Finland, Germany, Italy and Sweden and a research and development team that has a strong track record in developing stainless steel and HPA products, grades and applications.

Greater Geographic Diversification with a Platform that is Well Positioned to Take Advantage of Strategic Opportunities in North and South America and Asia

The Combined Group's Calvert integrated production facility in the United States would have the potential to increase the Combined Group's sales in the United States, particularly to the automotive industry. Outokumpu expects that upon its completion, the Calvert integrated production facility, combined with the cold rolling facility in Mexico, would provide the Combined Group with a platform from which to expand sales to Latin America. The Combined Group's sales and distribution network in North and South America, which would include a service center in Argentina, is also expected to put the Combined Group in a favourable position to increase sales to Latin American markets.

The Inoxum Transaction and integration of Inoxum into Outokumpu's existing stainless steel business would promote Outokumpu's strategic focus on APAC. The Combined Group would have a cold rolling facility joint venture with SPS in China; service centers in Australia and China; and sales offices in China, Vietnam and Thailand. Outokumpu expects that the Combined Group's operations in Asia would provide a platform to take advantage of forecasted growth in certain Asian markets, particularly in China, where SMR forecasts stainless steel consumption will grow at an average annual rate of 5.6 percent (CAGR) between 2011 and 2015.

Growth Opportunities in Existing Operations Across Geographies

The Combined Group would be well positioned to take advantage of multiple growth opportunities in existing operations and geographies provided by Outokumpu's and Inoxum's ongoing investment programs. The ongoing investment programs are:

- Outokumpu's ongoing EUR 440 million investment program (EUR 137 million spent as at December 31, 2011) to double the annual ferrochrome production of its Tornio Works ferrochrome production facility to 530,000 tonnes as well as increase the production capacity of the Kemi chromite mine. The increased production capacity resulting from this investment is scheduled to be completed in 2013, with operations scheduled to be ramped up to full production capacity in 2015. It is expected that the Combined Group would consume a significant portion of the additional ferrochrome production volumes, which would reduce sales costs and risks associated with expanded external sales as well as allow the Tornio Works integrated production facility to continue to benefit from the reduced energy and transportation costs resulting from its integrated ferrochrome production. It is also expected that the Combined Group would continue to sell its surplus ferrochrome volumes on the global market. Based on ferrochrome prices, the U.S. dollar/euro foreign exchange rate and electricity prices as at June 2010 when the investment decision was made, Outokumpu estimated that the investment to double its annual ferrochrome production capacity would result in additional annual operating profit of approximately EUR 150 million once the full production capacity is reached.

- Inoxum’s ongoing EUR 1.2 billion investment (EUR 801 million spent as at December 31, 2011) in the Calvert integrated production facility in the United States. Outokumpu expects that upon its completion, the Calvert integrated production facility, combined with the cold rolling facility in Mexico, would provide the Combined Group with a platform from which to expand sales to Latin America.

- Inoxum’s ongoing approximately EUR 244 million investment program (EUR 2 million spent as at December 31, 2011) in the Krefeld cold rolling production facility. The investment program, which is scheduled to be completed by 2015, is expected to increase the total ferritic grades cold rolling capacity at the Krefeld production facility by relocating cold rolling equipment from the Düsseldorf-Benrath cold rolling facility in Germany to the Krefeld production facility as well as upgrading or replacing certain equipment used in the cold rolling process. This investment program has the potential to expand the Combined Group’s established position in the European ferritic stainless steel market.

- Inoxum’s ongoing approximately EUR 93 million investment program (no expenditure as at December 31, 2011) in HPA production in Germany. Inoxum is in the process of expanding its HPA bar production capacity and Inoxum intends to upgrade its HPA plate production equipment in order to offer additional and larger volumes of products for power plants and gain access to new polysilicone applications markets, such as solar energy. Inoxum also plans to install a second electron beam melting furnace at its Essen HPA production facility in Germany to increase titanium production capacity.

- Outokumpu’s ongoing EUR 104 million investment program (approximately EUR 40 million spent as at December 31, 2011) to expand quarto plate production capacity and capability at the Degerfors quarto plate production facility in Sweden. This investment program is expected to enable the Combined Group to broaden its product offering in higher margin special grades. The annual quarto plate production capacity of the Degerfors production facility is expected to increase to 150,000 tonnes in 2014, bringing Outokumpu’s total annual quarto plate production capacity to 220,000, including the New Castle production facility in the United States.

Strengthened Financial Profile

The Inoxum Transaction is expected to strengthen the financial profile of the Combined Group. The estimated EBITDA impact of cost synergy benefits, together with the benefits of Outokumpu’s and Inoxum’s current restructuring and investment programs, the Offering and the Private Placement, are expected to improve the future gearing ratio of the Combined Group compared to Outokumpu as well as to improve and have the potential to facilitate the Combined Group's ability to secure capital markets financing. Outokumpu estimates that as at December 31, 2011, the pro forma gearing of the Combined Group would have been 59.2 percent (as compared to Outokumpu's gearing of 82.5 percent), which is below Outokumpu's target maximum gearing level of 75 percent.

The Inoxum Transaction and the integration of Inoxum into Outokumpu's existing stainless steel business are estimated to create cash cost synergy benefits of between EUR 225 million and EUR 250 million annually in 2017. It is expected that the synergy benefits would start to be realized in 2014, with approximately 45 percent run-rate expected to be achieved in 2014 and approximately 70 percent in 2015. It is estimated that the Combined Group would incur up to EUR 160 million in implementation and nonrecurring cumulative cash costs between 2013 and 2017. The cash cost synergy benefits are expected to arise from actions being taken within the following four main categories:

- **Production relocation and facility closures in Europe**. It is estimated that the Combined Group has significant potential to increase profitability by closing the Bochum and Krefeld melt shops and terminating Inoxum's hot rolling agreement with ThyssenKrupp in Bochum and relocating the current production from these two facilities to the Tornio Works and Terni integrated production facilities. Outokumpu, ThyssenKrupp and the German employee representatives have reached an agreement regarding the production facilities and employment protection in Germany. According to the agreement, the Krefeld melt shop will be shut down by the end of 2013 and it is envisaged that the Bochum melt shop will be closed by the end of 2016. For more information on the agreements between Outokumpu, ThyssenKrupp and the German labor representatives, see "Material Contracts—Inoxum Transaction—German Labor Agreements." In addition, the option of reducing thin cold rolling capacity in Sweden, with the production volumes being relocated to the Krefeld and Dillenburg production facilities, is being considered. It is estimated that the closures would lead to a reduced cost base in Germany and Sweden. The estimated potential cost savings from Production relocation and facility closures in Europe represent approximately 40 percent of the total estimated cash cost synergy benefits.

  The overall global restructuring efforts are expected to result in a reduction of approximately 1,500 jobs between 2013 and 2016, out of which up to 850 jobs would be in Germany. As part of the Inoxum Transaction, Outokumpu has agreed with the labor unions that represent Inoxum's employees in Germany that no compulsory labor redundancies would take place among the workforce at Inoxum's German production facilities until the end of 2015. To assist with the implementation of the necessary reorganizations, ThyssenKrupp has committed to offer alternative jobs within ThyssenKrupp for up to 600 current Inoxum employees in Germany in connection with the planned closures of the Bochum and Krefeld melt shops, which is expected to allow the Combined Group to realize cost savings associated with reducing its workforce without incurring the associated costs and without having a negative impact on the employees of the Combined Group in Germany.

- **Improved Capacity Utilization and Production Optimization**. As a result of relocating melting production and hot rolling production volumes from Bochum and Krefeld, it is expected that the Combined Group would increase capacity utilization levels at two integrated stainless steel production facilities with among the lowest per unit production costs in Europe: the Tornio Works integrated production facility in Finland and the Terni integrated production facility in Italy. In the recent past, both of these integrated production facilities have been operating at below optimum capacity utilization levels. It is expected that the transfer of melting volumes and hot rolling volumes to the Tornio Works and Terni integrated production facilities would result in cost savings from the lower unit production costs in these relatively more efficient facilities as well as from higher capacity utilization levels, further reducing unit costs from current levels.

In addition to increased capacity utilization levels at the Tornio Works and Terni integrated production facilities, it is estimated that the relocation of select standard stainless steel grade production and optimization of product responsibilities between the Tornio Works, Terni and other of the Combined Group's European production facilities would further reduce unit costs at the Tornio Works and Terni integrated production facilities through improved production efficiency resulting from fewer required changes in production setups and larger production runs. For example, the production of certain ferritic stainless steel grades is expected to be transferred from the Tornio Works integrated production facility to the Terni integrated production facility, which is increasingly specializing in ferritic stainless steel grades. Conversely, production of certain austenitic stainless steel grades is expected to be transferred from the Terni and other of the Combined Group's European production facilities to Tornio Works integrated production facility, which is primarily designed for austenitic stainless steel grade production. It is also expected that black hot band produced at the Tornio Works and Terni integrated production facilities would be supplied to other of the Combined Group's production facilities in Germany for further processing for the production of cold rolled finished products, thus further optimizing capacity utilization levels at the Tornio Works and Terni integrated production facilities and reducing unit production costs. The estimated potential cost savings from higher capacity utilization and production optimization represent approximately 20 percent of the total estimated cash cost synergy benefits.

These potential savings resulting from production relocation and increased capacity utilization are estimated to start in 2014 following the planned closure of the Krefeld melt shop by the end of 2013, and continue ramping up to the full estimated range with planned closure of the Bochum melt shop by the end of 2016. It is currently envisaged that the Combined Group's European melt shops will supply feedstock to the Calvert integrated production facility until the melt shop at the Calvert integrated production facility is ramped up to full production capacity, which is expected in 2014.

- **Optimizing the Sales and Service Center Network in Europe**. As at December 31, 2011, the Combined Group's sales and service center network in Europe would have consisted of 19 facilities. It is estimated that optimizing the Combined Group's European service centers by reducing overlapping activities and optimizing sales company resourcing would result in cash cost savings. In addition, the combination of Outokumpu's and Inoxum's complementary product offerings would enable the Combined Group to offer an expanded product range through its service center and sales network, which, it is estimated, would provide additional revenue synergies that have not been quantified and represent additional benefits from the Inoxum Transaction. The estimated potential cost savings from optimizing the sales and service center network in Europe represent approximately 10 percent of the total estimated cash cost synergy benefits. In addition, the Combined Group is expected to benefit further from cross-selling opportunities across its global sales and service center network resulting from the Combined Group's broad product offering platform.

- **Optimizing Procurement Operations, Raw Materials Sourcing and General Administrative Costs**. It is estimated that the Combined Group would benefit from bulk discounts when purchasing certain raw materials. In addition, it is estimated that the comparison of procurement needs, simplification of delivery logistics, reduced number of production sites and ability to make bulk purchases would provide additional cost savings. It is estimated that the reduction of IT expenses through the elimination of overlap and volume discounts on shared applications would also provide cost savings. Further, it is estimated that there are potential cost savings from the implementation of a unified organizational model and integration of functions and head office cost savings. The estimated potential cash cost savings from optimizing procurement operations, raw material sourcing and general administrative costs represent approximately 30 percent of the total estimated cash cost synergy benefits.

The estimated implementation and non-recurring cumulative cash costs of up to EUR 160 million that the Combined Group would incur between 2013 and 2017 consist primarily of redundancy and environmental costs associated with facility closures, costs associated with optimization of the European sales and service center network, some function restructuring costs (such as IT and headquarters) and general implementation contingencies. The cost estimate includes reduced labor redundancy costs resulting from ThyssenKrupp's commitment to offer alternative jobs within ThyssenKrupp for up to 600 current Inoxum employees in Germany in connection with the planned closures of the Bochum and Krefeld melt shops, which is expected to allow the Combined Group to realize cost savings associated with labor force reduction while reducing the impact of the reduction on the employees of the Combined Group in Germany.

Estimates relating to cost reductions and other benefits expected to arise from the Inoxum Transaction and the integration of Inoxum into Outokumpu's existing stainless steel business as well as related costs to implement such measures are based on a number of assumptions made in reliance on the information available to Outokumpu and management's judgments based on such information. Such estimates present the expected future impact of the Inoxum Transaction and the integration of Inoxum into Outokumpu's existing stainless steel business on the business, financial condition and results of operations of the Combined Group. However, the assumptions about these estimated synergy benefits are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the synergy benefit estimates.

The above statements regarding synergy benefits and related costs may constitute forward-looking statements. Prospective investors should not unduly rely on these forward-looking statements. Numerous factors may cause actual results, realized revenues or performance to differ materially from the results, revenues and performance expressed or implied in the forward-looking statements.

Pro Forma Financial Information

The following tables present unaudited pro forma financial information giving effect to the Inoxum Transaction as if the Inoxum Transaction had been completed on (i) January 1, 2011 for purposes of the unaudited pro forma statement of income and comprehensive statement of income and (ii) December 31, 2011 for purposes of the unaudited pro forma statement of financial position. The unaudited pro forma financial information below has been prepared on a basis consistent with IFRS (International Financial Reporting Standards) as adopted by the EU and has been based on (a) financial information derived from the audited consolidated financial statements of Outokumpu as of and for the year ended December 31, 2011; (b) financial information derived from the audited combined financial statements of Inoxum as of and for the fiscal year ended September 30, 2011; and (c) financial information derived from the unaudited combined interim financial statements of Inoxum as of and for the three months ended December 31, 2011 and December 31, 2010 respectively.

The unaudited pro forma statement of income and comprehensive statement of income, the unaudited pro forma statement of financial position as well as pro forma key figures have been prepared in a manner consistent with the accounting principles applied in Outokumpu's 2011 audited consolidated financial statements, except for the accounting policies related to post-employment benefit arrangements (pensions). Outokumpu applies the corridor method for the recognition of actuarial gains and losses arising from pension arrangements while Inoxum recognizes such gains and losses in other comprehensive income. Inoxum classifies interest expenses related to pension plans as well as the expected return on pension plan assets as financial expenses and financial income, respectively, whereas Outokumpu treats these interest expenses and the expected return on plan assets as part of the employee benefit expenses.

The unaudited pro forma adjustments also give effect to events that are directly attributable to the acquisition, and the proposed financing thereof. The unaudited pro forma statement of financial position presents the acquisition as being accounted for under the acquisition method in accordance with IFRS 3 Business Combinations. Under the acquisition method, assets and liabilities are recorded at their fair values on the date of acquisition and the purchase price is allocated to the tangible and intangible assets acquired and liabilities and contingent liabilities assumed. The acquisition remains subject to the satisfaction or waiver of certain conditions, including regulatory approvals, and thus the presented pro forma adjustments relating to the acquisition are hypothetical at this stage. The Inoxum Transaction is expected to be completed by the end of 2012. The unaudited pro forma statement of income and comprehensive statement of income as well as the unaudited pro forma statement of financial position are based on the historical figures set out therein and therefore the final purchase price allocation may significantly differ from the presented hypothetical allocation in this unaudited pro forma information.

The unaudited pro forma statement of income and comprehensive statement of income, the unaudited pro forma statement of financial position as well as pro forma key figures have been prepared for illustrative purposes and, because of their nature, address a hypothetical situation and do not, therefore, represent Outokumpu's actual financial position or results. The unaudited pro forma financial information does not purport to represent what Outokumpu's financial position and results would have been if the acquisition had been completed on the dates indicated nor do they purport to represent Outokumpu's or the Combined Group's results for any future period or financial position at any future date. The unaudited pro forma financial information does not reflect the effect of anticipated synergies and efficiencies associated with the acquisition of Inoxum.

Outokumpu will recognize the identifiable assets acquired and the liabilities assumed as of the acquisition date. The provisional amounts recognized at the acquisition date, based on the purchase price allocation including the determination of fair values, may be adjusted within 12 months after the acquisition date, to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

Unaudited pro forma statement of income

EUR in millions	Outokumpu, Jan 1 to Dec 31, 2011 (audited)	Inoxum, 12 months ended Dec 31, 2011 (unaudited)	Differences in accounting policies	Differences in presentation	PPA adjustments	Impact of Loan Note	Reversal of Inoxum intra-group financing with ThyssenKrupp	Pro forma Combined Group
Notes	[1]	[2]	[3]	[4]	[5]	[7]	[8]	
Sales	5 009	6 572		(17)				11 564
Cost of sales	(4 882)	(6 275)	2	10	1			(11 144)
Gross margin	127	297	2	(7)	1	-	-	420
Other operating income	47	23		83	295			448
Selling and marketing expenses	(147)	(208)	4	(26)				(377)
Administrative expenses	(153)	(163)	3		1			(312)
Research and development expenses	(21)			(14)				(35)
Other operating expenses	(113)	(337)		(61)	(37)			(548)
Operating profit / (loss)	(260)	(388)	9	(25)	260	-	-	(404)
Share of results of associated companies	(5)	1						(4)
Financial income and expenses								
Interest income	13	34	21				(31)	37
Interest expenses	(77)	(84)	(21)		(3)	(43)	66	(162)
Market price gains and losses	(120)							(120)
Other financial income	248							248
Other financial expenses	(52)	(23)						(75)
Total financial income and expenses	12	(73)	0	-	(3)	(43)	35	(72)
Profit before taxes	(253)	(460)	9	(25)	257	(43)	35	(480)
Income taxes	67	20	(2)	8	(38)	11	(11)	55
Net profit / (loss) for the period	(186)	(440)	7	(17)	219	(32)	24	(425)

Unaudited pro forma statement of comprehensive income

EUR in millions	Outokumpu, Jan 1 to Dec 31, 2011 (audited)	Inoxum, 12 months ended Dec 31, 2011 (unaudited)	Differences in accounting policies	Other pro forma adjustments to statement of income	Pro forma Combined Group
Notes	[1]	[2]	[3]	[4]-[8]	
Net profit / (loss) for the period	**(186)**	**(440)**	**7**	**194**	**(425)**
Other comprehensive income					
Exchange differences on translating foreign operations	12	(5)			7
Available-for-sale financial assets					
Fair value changes during the period	(23)				(23)
Reclassification adjustments from other comprehensive income to profit or loss	(65)				(65)
Income tax relating to available-for-sale financial assets	11				11
Actuarial gains / (losses) from pensions and similar obligations					
Change in actuarial gains / (losses), net		(1)	(5)		(6)
Income tax relating to actuarial gains / (losses)		1	2		3
Cash flow hedges					
Fair value changes during the period	(4)	(14)			(18)
Reclassification adjustments from other comprehensive income to profit or loss	1	3			4
Income tax relating to cash flow hedges	1	7			8
Share of other comprehensive income of associated companies	(2)				(2)
Other comprehensive income for the period, net of tax	**(69)**	**(9)**	**(3)**	-	**(81)**
Total comprehensive income	**(255)**	**(449)**	**4**	**194**	**(506)**

Pro forma unaudited statement of financial position

EUR in millions	Outokumpu, Dec 31, 2011 (audited)	Inoxum, Dec 31, 2011 (unaudited)	Differences in accounting policies	Differences in presentation	PPA adjustments	Impact of the Offering	Impact of Loan Note	Reversal of Inoxum's intra-group financing with ThyssenKrupp	Share issue to ThyssenKrupp	Pro forma Combined Group
Notes	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	
ASSETS										
Non-current assets										
Intangible assets	554	70			(35)					**589**
Property, plant and equipment	2 005	2 329			17					**4 351**
Investment property		12			3					**15**
Investments in associated companies	39	16								**55**
Available-for-sale financial assets	16	2								**18**
Derivative financial instruments	12									**12**
Loans receivable, interest-bearing	163									**163**
Loan receivables and other interest-bearing assets	230	18	-	-	-	-	-	-	-	**248**
Other receivables	61	2	(38)							**25**
Deferred tax assets	63	144	4		(144)					**67**
Total non-current assets	2 913	2 576	(34)	-	(159)	-	-	-	-	**5 295**
Current assets										
Inventories	1 264	1 892								**3 156**
Available-for-sale financial assets	7									**7**
Investments at fair value through profit or loss	105									**105**
Derivative financial instruments	26	58								**84**
Trade receivables, interest-bearing	2									**2**
Loans receivables		1 421						(1 310)		**111**
Loan receivables and other interest-bear. assets	140	1 479	-	-	-	-	-	(1 310)	-	**309**
Trade and other receivables	761	740								**1 501**
Cash and cash equivalents	168	71				(25)				**214**
Total current assets	2 333	4 182	-	-	-	(25)	-	(1 310)	-	**5 180**
TOTAL ASSETS	5 247	6 756	(34)	-	(159)	(25)	-	(1 310)	-	**10 477**

EUR million	Outokumpu, Dec 31, 2011 (audited)	Inoxum, Dec 31, 2011 (unaudited)	Differences in accounting policies	Differences in presentation	PPA adjustments	Impact of the Offering	Impact of Loan Note	Reversal of Inoxum's intra-group financing with ThyssenKrupp	Share issue to ThyssenKrupp	Pro forma Combined Group
Note	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	
EQUITY AND LIABILITIES										
Equity attributable to the equity holders of the Company										
Share capital	311									**311**
Premium fund	714									**714**
Share issue						975			823	**1 798**
Other reserves	26									**26**
Retained earnings	1 200		(33)							**1 167**
Net profit / (loss) for the period	(181)									**-181**
Equity of Inoxum		466			(171)					**295**
Equity attributable to the equity holders of the Company	2 070	466	(33)	-	(171)	975	-	-	823	**4 130**
Non-controlling interests	14	17								**31**
Total equity	2 084	483	(33)	-	(171)	975	-	-	823	**4 161**
Non-current liabilities										
Non-current debt	1 161	359			62		656	(305)		**1 933**
Derivative financial instruments	35									**35**
Deferred tax liabilities	38	117	(12)		3					**146**
Pension obligations	62	281	11							**354**
Provisions	22	104			6					**132**
Trade and other payables	45									**45**
Total non-current liabilities	1 364	861	(1)	-	71	-	656	(305)	-	**2 646**
Current liabilities										
Current debt	998	3 690			1			(3 565)		**1 124**
Derivative financial instruments	46	55								**101**
Trade and other payables, interest-bearing	17	-			23					**40**
Provisions	42	59		(23)						**78**
Income tax liabilities	1	18								**19**
Trade payables, non interest-bearing	694	1 589		23						**2 306**
Total current liabilities	1 799	5 411	-	0	24	-	-	(3 565)	-	**3 669**
TOTAL EQUITY AND LIABILITIES	5 247	6 756	(34)	-	(76)	975	656	(3 870)	823	**10 477**

Notes

[1] This column reflects Outokumpu's audited consolidated statement of income and audited consolidated statement of comprehensive income for the year ended December 31, 2011 and the audited consolidated statement of financial position as of December 31, 2011. Outokumpu's financial year is the calendar year.

[2] This column reflects Inoxum's unaudited combined statement of income and statement of comprehensive income for the twelve months ended December 31, 2011. As Inoxum's fiscal year-end is September 30 and in order to present unaudited pro forma financial information on comparable periods, Inoxum's combined audited statement of income and statement of comprehensive income for the fiscal year October 1, 2010 – September 30, 2011 has been adjusted by (i) adding the income and expenses for the unaudited combined statement of income and for the statement of comprehensive income for the three months period ended December 31, 2011 and (ii) subtracting the income and expenses for the unaudited combined statement of income and for the statement of comprehensive income for the three months period ended December 31, 2010. The Inoxum's unaudited combined statement of income and the statement of comprehensive income have been derived as follows:

EUR in millions	**Inoxum Oct 1, 2010 - Sept 30, 2011 (audited)**	**Inoxum 3 months ended Dec 31, 2010 (unaudited)**	**Inoxum 3 months ended Dec 31, 2011 (unaudited)**	**Inoxum 12 months ended Dec 31, 2011 (unaudited)**
Net Sales	6 739	1 605	1 438	6 572
Cost of sales	(6 363)	(1 517)	(1 429)	(6 275)
Gross profit	376	88	9	297
Other operating income	22	3	4	23
Selling expenses	(206)	(48)	(50)	(208)
General and administrative expenses	(155)	(39)	(47)	(163)
Other operating expenses	(325)	(7)	(19)	(337)
Income/(loss) from operations	(288)	(3)	(103)	(388)
Income from companies accounted for using the equity method	3	2	0	1
Financial income and expenses				
Interest income	27	2	9	34
Interest expenses	(59)	(13)	(38)	(84)
Other financial expense, net	(25)	(6)	(4)	(23)
Financial expense, net	(54)	(15)	(33)	(72)
Loss before taxes	(342)	(18)	(136)	(460)
Income tax benefit	2	5	23	20
Net loss	**(340)**	**(13)**	**(113)**	**(440)**
Other comprehensive income				
Foreign currency translation adjustment				
Change in unrealized gains/(losses),net	(1)	13	9	(5)
Actuarial gains/(losses) from pensions and similar obligations				
Change in actuarial gains / (losses), net	28	21	(8)	(1)
Tax effect	(9)	(7)	3	1
Unrealized (losses)/gains on derivative financial instruments				
Change in unrealized gains/(losses), net	(27)	(1)	12	(14)
Net realized (gains)/losses	5	2	0	3
Tax effect	7	0	0	7
Other comprehensive income	3	28	16	(9)
Total comprehensive income	(337)	15	(97)	(449)

An impairment loss on goodwill, amounting to EUR 290 million, was recognized in the Inoxum's combined statement of income within other operating expenses for the fiscal year October 1, 2010 – September 30, 2011.

[3] This column reflects the impact of accounting policy alignment of historical financial information between Outokumpu and Inoxum. In this column adjustments have been made to arrive at comparable figures.

Post-employment benefit arrangements (pensions)

Outokumpu applies the corridor method for recognizing actuarial gains and losses arising from pension benefit arrangements, while Inoxum recognizes such actuarial gains and losses in other comprehensive income. In preparation of the pro forma financial information, Inoxum's accounting policy has been applied to follow the IAS 19 Employee Benefits principles which will come effective January 1, 2013, to reflect the impact of this future requirement. This amendment decreases Outokumpu's other receivables, amounting to EUR 38 million, increases pension obligations, amounting to EUR 11 million and has an aggregate negative impact on retained earnings, amounting to EUR (49) million. The related impact on deferred taxes has been taken into account, the decrease in deferred tax liabilities being EUR 12 million and the increase in deferred tax assets being EUR 4 million. Consequently, the net effect on equity amounts to EUR (33) million.

The recognition of actuarial gains and losses in other comprehensive income instead of the application of the corridor method has a positive effect of EUR 9 million on the statement of income. The impact of the amendment is EUR 2 million on cost of sales, EUR 4 million on selling and marketing expenses and EUR 3 million on administrative expenses. The related income tax effect is EUR 2 million. The positive effect resulted mainly from certain curtailments. When actuarial gains and losses are recognized in other comprehensive income, such gains and losses are not reclassified to profit or loss in subsequent periods. The impact of the reversal of the actuarial losses recognized as part of the curtailments carried out in the financial year 2011 amounts to EUR 8 million. The interest expenses of EUR 21 million and the expected return on plan asset of EUR 21 million have been transferred from operating functions to interest expenses and interest income, respectively, in accordance with the adopted principle of presenting the interest expense and expected return on plan assets within the financial items.

The actuarial losses recognized in other comprehensive income amount to EUR 5 million and the related tax effect is EUR 2 million.

[4] This column reflects the differences in presentation of financial statement items, thus adjustments have been made to present Inoxum's figures in a manner consistent with the Outokumpu figures. This column also reflects the transfer of the re-charge for the utilization of ThyssenKrupp trade name from equity to the statement of income in Inoxum.

Adjustments regarding pro forma statement of income for the period January 1 – December 31, 2011

Reclassifications of line items in the unaudited pro forma statement of income include the following major items:

- Impact of the fair value changes arisen from derivatives not under hedge accounting: Inoxum recognizes these in sales and cost of sales that they relate to, whereas Outokumpu treats them as adjustments to other operating income and other operating expenses. The reclassification of the fair value changes arisen from derivatives not under hedge accounting has an impact of EUR (17) million on sales, EUR 10 million on cost of sales, EUR 83 million on other operating income and EUR (75) million on other operating expenses.

- The re-charge for the utilization of the ThyssenKrupp trade name: this item was accounted for by Inoxum as an equity transaction with ThyssenKrupp. In the unaudited pro forma statement of income the re-charge for the right to use of ThyssenKrupp trade name is presented according to the Outokumpu's accounting policy, i.e. it is expensed. The resulting effect on the unaudited pro forma statement of income on selling and marketing expenses amounts to EUR (26) million. The related income tax effect is EUR 8 million.

- Research and development (R&D) expenses: Inoxum recognizes these in other operating expenses, whereas Outokumpu presents such expenses as a separate line item in the statement of income. These expenses, amounting to EUR 14 million, have been reclassified from other operating expenses to be presented as part of research and development expenses.

Adjustments regarding pro forma statement of financial position as of December 31, 2011

Reclassification of the line items in the unaudited pro forma statement of financial position include the following:

- Certain employee benefit obligations: In the historical financial position of Inoxum as of December 31, 2011, certain employee benefit obligations amounting to EUR 23 million have been recognized in other provisions. Such obligations have been reclassified to other payables in accordance with Outokumpu's accounting policy.

[5] This column reflects the acquisition of Inoxum and the provisional purchase price allocation (PPA) on the unaudited pro forma statement of financial position as of December 31, 2011. The final purchase price allocation may significantly differ from the hypothetical allocation below which is presented for illustrative purposes only.

Consideration to be transferred for Inoxum and liabilities to be assumed

The total consideration to be transferred for Inoxum and the liabilities to be assumed comprise the following items (EUR in millions):

Consideration to be transferred	
Consideration in cash	1,000
Consideration Shares to ThyssenKrupp	823(1)
Loan Note to be issued to ThyssenKrupp	656(2)
Liabilities to be assumed	
Inoxum's pension obligations	281
Inoxum's net external financial debt	109
Total Consideration and liabilities to be assumed	2,869

(1) Based on Outokumpu share price of EUR 5.07 as of March 1, 2012.

(2) The principal amount of the Loan Note will be subject to change and will mainly depend on changes in Inoxum's cash flow and capital expenditure before the completion of the Inoxum transaction. The consideration will also be adjusted (through a reduction of the principal amount of the Loan Note) for (i) interest paid by Inoxum to ThyssenKrupp on certain borrowings and (ii) any divestment necessary to obtain Regulatory approvals.

The Total Consideration of the Inoxum Transaction and liabilities to be assumed amount in aggregate to EUR 2,869 million and consists of EUR 1.0 billion cash consideration, Consideration Shares of EUR 823 million to ThyssenKrupp (based on share price as of March 1, 2012), the Loan Note of EUR 656 million as well as assumption of Inoxum's pension obligations of EUR 281 million and net external financial debt of EUR 109 million. Outokumpu acquires ThyssenKrupp's outstanding receivables against Inoxum in return for (i) EUR 1.0 billion in cash and (ii) the subordinated Loan Note. See note [7] for more information on the Loan Note.

Following the completion of the Inoxum Transaction, ThyssenKrupp will hold 29.9 percent of Outokumpu's issued and outstanding Shares. EUR 823 million Consideration Shares is calculated in this provisional purchase price allocation based on Outokumpu's share price as of March 1, 2012 (5.07 €/share). For more detailed information see "Material Contracts—Inoxum Transaction—Business Combination Agreement."

Outokumpu's share price as well as adjustments to the Loan Note will have an impact on the final amount of the Consideration, see the note [9] for the effect of the share price on the consideration. The Loan Note will be adjusted based on the change in interest-bearing financial debt of Inoxum and ThyssenKrupp from September 30, 2011 until the completion of the Inoxum Transaction. Thus, changes in Consideration to be transferred impact the final purchase price allocation and resulting negative goodwill. As the Inoxum Transaction is estimated to result in a gain from a bargain purchase, i.e.negative goodwill, changes in consideration impact other operating income in the pro forma financial information.

Provisional purchase price allocation

The provisional purchase price allocation as of December 31, 2011, is hypothetical as the Inoxum Transaction has not yet been completed. The final purchase price allocation will be prepared based on the fair values of Inoxum's identifiable assets, liabilities and contingent liabilities at the acquisition date, when Outokumpu will gain control over Inoxum. Therefore, the total consideration as well as the final purchase price allocation at the acquisition date may significantly differ from the hypothetical allocation presented in this unaudited pro forma financial information.

The hypothetical purchase price allocation has been prepared relying on high-level assessment of potential intangible assets based on December 31, 2011 financial information and material available at the preparation of the pro forma financial information. Based on the high-level analysis, customer-based, marketing-related and contract-based intangible assets were identified. The fair value of these intangible assets identified is estimated to amount to EUR 8 million. The remaining high level useful life of the intangible assets recognized is estimated to be two years.

The Inoxum Transaction is estimated to result in a gain from a bargain purchase, i.e. negative goodwill. Currently it is presented under other operating income in the pro forma financial information. Outokumpu's share price as well as adjustments to the Loan Note will impact the final amount of the consideration and the final purchase price allocation will be prepared based on the fair values of Inoxum's identifiable assets, liabilities and contingent liabilities at the acquisition date, when Outokumpu will gain control over Inoxum. Therefore, the resulting negative goodwill is provisional and the consideration as well as the resulting residual at the acquisition date may significantly differ from that presented in this unaudited pro forma financial information.

Consideration to be transferred for Inoxum is comprised of as follows (EUR in millions, as of December 31, 2011, according to IFRS 3):

Consideration in cash	1,000
Consideration Shares to ThyssenKrupp	823(3)
Loan Note to be issued to ThyssenKrupp	656(4)
Total consideration to be transferred	2,479

(3) Based on Outokumpu share price of EUR 5.07 as of March 1, 2012

(4) The principal amount of the Loan Note will be subject to change and will mainly depend on changes in Inoxum's cash flow and capital expenditure before the completion of the Inoxum transaction. The consideration will also be adjusted (through a reduction of the principal amount of the Loan Note) for (i) interest paid by Inoxum to ThyssenKrupp on certain borrowings and (ii) any divestment necessary to obtain Regulatory approvals.

Indicative fair values of Inoxum's identifiable assets and liabilities assumed

Indicative fair values of Inoxum's identifiable assets and liabilities to be assumed (EUR in millions, as of December 31, 2011):

Intangible assets	35
Property, plant and equipment	2,346
Investment property	15
Investments in associated companies	16
Available-for-sale financial assets	2
Other non-current receivables	2
Deferred tax assets	0
Derivative financial instruments	58
Inventory	1,892
Loans receivables	111
Trade and other receivables	740
Cash and cash equivalents	71
Non-controlling interest	(17)
Long-term debt	(116)
Deferred tax liabilities	(120)
Pension obligations	(281)
Provisions (non-current)	(104)
Contingent liabilities	(6)
Current debt	(126)
Derivative financial instruments	(55)
Trade and other payables (interest-bearing)	(23)
Provisions (current)	(59)
Income tax liabilities	(18)
Trade payables (non-interest-bearing)	(1,589)
Identifiable net assets	2,774
Gain from bargain purchase (negative goodwill)	(295)
Total	**2,479**

Adjustments to the pro forma statement of financial position as of December 31, 2011

The major adjustments regarding the pro forma unaudited statement of financial position as of December 31, 2011 include the following:

- Intangible assets: The goodwill included in Inoxum's statement of financial position, amounting to EUR 45 million, has been derecognized in the acquisition. In the hypothetical preliminary purchase price allocation a write-down of EUR 12 million on intangible assets has been recognized. Additionally, customer-based, marketing-related and contract-based intangible assets have been identified. The fair value of these intangible assets identified is estimated to total EUR 8 million and their useful lives are estimated to be two years. Furthermore, a right of use agreement that is to be taken over in the acquisition has been capitalized as an intangible asset, amounting to EUR 14 million. The corresponding liability is presented under trade and other payables. The aggregate net impact of these adjustments discussed above on intangible assets amounts to EUR (35) million.

- Property, plant and equipment: In the hypothetical preliminary purchase price allocation a writedown of EUR 55 million on property, plant and equipment has been recognized. The write-down relates to the certain European operations of Inoxum. Sufficient information to carry out a thorough valuation on property, plant and equipment was not available at the preparation of the hypothetical preliminary purchase price allocation. Thus, the fair value adjustment to property, plant and equipment in the purchase price allocation at the acquisition date may significantly differ from the hypothetical allocation presented in this unaudited pro forma financial information. In respect of property, plant and equipment some assets are also to be taken over in the acquisition, mainly consisting of real estate assets, amounting to EUR 9 million. The corresponding liability is presented under trade and other payables. In the acquisition also certain assets are to be taken over, mostly consisting of land areas and buildings, which are accounted for as assets acquired under finance leases assuming Outokumpu will exercise its option to enter into these lease contracts. The resulting increase in property, plant and equipment amounts to EUR 63 million. In respect of the operations of the Duisburg hot rolling facility, a Memorandum of Understanding has been entered into for, inter alia, business service agreement. For more detailed information see "Material Contracts—Inoxum Transaction—Inoxum Separation —Duisburg—Memorandum of Understanding"

- Deferred tax assets and deferred tax liabilities: Deferred tax assets of Inoxum, totaling EUR 144 million, are written down in the purchase price allocation due to the review and evaluation of the tax and financing strategies post the combination of Outokumpu and Inoxum. The amount of the deferred tax assets will be evaluated after the completion of the Inoxum Transaction based on the estimates of the taxable income in the foreseeable future and on the intra-group financing strategies of the company. A deferred tax liability amounting to EUR 3 million (net) is recorded on the difference between the fair values and the tax bases of the acquired assets as well as liabilities and contingent liabilities assumed. The accounting treatment of deferred tax assets may significantly change when the final purchase price allocation will be prepared.

- Provisions: Provisions are adjusted by recognizing contingent liabilities amounting to EUR 6 million.

- Interest-bearing liabilities: of the finance lease liabilities related to the assets to be taken over in the acquisition (property, plant and equipment), EUR 62 million is non-current and EUR 1 million current.

- Items related to Inoxum's intra-group financing with ThyssenKrupp: The major adjustment items related to ThyssenKrupp are associated with Inoxum's intra-group financing with ThyssenKrupp. The adjustments have been made to align the remaining amount of liabilities with the amount agreed upon to be taken over as part of the Inoxum Transaction, see note [8].

Based on the latest information available, Outokumpu is not aware of environmental obligations that would not have been provided for appropriately. Regarding closure costs no reliable estimation of such expenditure can currently be made.

Adjustments to the pro forma statement of income for the period January 1 – December 31, 2011

The major adjustments regarding the unaudited pro forma statement of income for the period January 1 – December 31, 2011 are as follows:

- Other operating income: The Inoxum Transaction is estimated to result in a gain from a bargain purchase, i.e. negative goodwill, amounting to EUR 295 million. Currently it is presented under other operating income.

- Acquisition-related costs: The estimated acquisition-related costs amount to EUR (21) million and are presented under other operating expenses. Other operating expenses also include other expenditure arising from the acquisition totaling EUR (16) million. In aggregate these amount to EUR 37 million.

- Depreciation and amortization: The impact on depreciation and amortization arising from the fair value adjustments to the carrying amounts of intangible assets and property, plant and equipment, from the assets to be taken over in the acquisition relating to property, plant and equipment and from the write-downs on intangible assets and property, plant and equipment, amount in aggregate to EUR (1) million (net). The largest sub-item, EUR (4) million, arises from the amortization of the intangible assets identified in the acquisition. The effect of the finance lease accounting for certain leases on operating functions is EUR 2 million on costs of goods sold and EUR 1 million to administrative expenses. The total net impact of these adjustments on costs of goods sold is EUR 1 million.

- Interest expenses: interest expenses related to the finance lease liabilities arising from assets to be taken over in the acquisition amount to EUR (3) million.

- Deferred taxes: Deferred tax assets of Inoxum, totaling EUR 144 million, are written down in the acquisition due to the review and evaluation of the tax and financing strategies post the combination of Outokumpu and Inoxum. The resulting impact on income taxes in the unaudited pro forma statement of income amounts to EUR (38) million that reverses the increase of deferred tax assets recognized in the statement of income in the 12 months period.

[6] This column reflects the impact arising from the Offering to partly finance the Inoxum Transaction. Outokumpu intends to pay part of the acquisition through the net proceeds of the Rights Issue which are estimated to amount to EUR 975 million, after deduction of the estimated Offering costs of EUR 31 million. The rest of the consideration is planned to be financed through the Loan Note, see note [7], and a directed share issue to ThyssenKrupp, see note [9].

The adjustment to cash for the Offering proceeds has been calculated as follows (EUR million):

Gross proceeds from the Rights Issue	1,006
Transaction costs relating to the Rights Issue	(31)
Net proceeds from the Rights issue	975
To be paid to ThyssenKrupp	(1,000)
Adjustment to cash	(25)

[7] This column reflects the impact of the Loan Note, which is part of the consideration. Outokumpu will acquire ThyssenKrupp group's outstanding receivables against Inoxum in return for (i) EUR 1.0 billion in cash and (ii) the Loan Note, the principal amount of which will be the amount by which the balance of ThyssenKrupp's receivables against Inoxum and Inoxum's receivables against ThyssenKrupp as at the completion of the Inoxum Transaction exceeds the EUR 1.0 billion cash consideration. The principal amount of the Loan Note will be subject to change and will mainly depend on changes in Inoxum's cash flow and capital expenditure before the completion of the Inoxum Transaction. In general, if Inoxum's cash flow from operations is negative and it requires financing from ThyssenKrupp, this will increase the principal amount of the Loan Note. For example, the principal amount of the Loan Note as at September 30, 2011 was EUR 235 million and as at December 31, 2011 EUR 656 million. The final principal amount of the Loan Note will only be known at the time of completion of the Inoxum Transaction. The consideration will also be adjusted (through a reduction of the principal amount of the Loan Note) for (i) interest paid by Inoxum to ThyssenKrupp on certain borrowings and (ii) any divestment necessary to obtain the Regulatory Approvals (as defined under "—Regulatory Approvals" below). For more information on the Regulatory Approvals, see "—Regulatory Approvals" below.

Pursuant to the Business Combination Agreement, the parties will negotiate the Loan Note based on an agreed term sheet. Interest will accrue on the principal of the Loan Note at a rate of three-month EURIBOR plus a margin (between 4.0 percent per annum and 9.5 percent per annum) that increases at specified times during the maturity of the Loan Note. Interest is payable every three months. During the first 24 months, Outokumpu will have the option to capitalize up to 100 percent of the interest. For months 25 through 36, Outokumpu will have the option to capitalize up to 50 percent of the interest. After month 36, Outokumpu will not have the option to capitalize interest. The loan note will be contractually subordinated to certain specified current and future debt of Outokumpu. The Loan Note will mature on the ninth anniversary of the completion of the Inoxum Transaction. Further terms and conditions related to the Loan Note please see "Material contracts—Inoxum Transaction—Loan Note Term Sheet".

The interest expense adjustment, EUR (43) million, has been determined based on the loan amount as specified in the "Material contracts—Inoxum Transaction—Loan Note Term Sheet". The related tax effect amounts to EUR 11 million.

[8] This column reflects the reversal of Inoxum's intra-group financing with ThyssenKrupp as these financial assets and financial liabilities, net, will not be taken over in the Inoxum

Transaction to the Combined Group.

Adjustments to the pro forma statement of financial position as of December 31, 2011

In this pro forma financial information EUR 1,310 million of non-current financial assets (receivables) from ThyssenKrupp have been deducted from assets. Inoxum's current financial debt of EUR 3,690 million consists of both intra-group financing of EUR 3,565 million from ThyssenKrupp, which has been deducted from the financial debt, and financial debt from financial institutions and finance lease liabilities, totaling EUR 125 million. Inoxum's non-current financial debt of EUR 359 million consists of intra-group financing from ThyssenKrupp, amounting to EUR 305 million, which has been deducted from the non-current financial debt, and financial debt from financial institutions and finance lease liabilities, totaling EUR 54 million. Consequently, subsequent to the acquisition, Inoxum will continue having only those liabilities that have been specifically agreed upon as part of the Inoxum transaction.

Adjustments to the pro forma statement of income for the period January 1 – December 31, 2011

An adjustment amounting to EUR (35) million (net) has been made to financial items. This relates to Inoxum's intra-group financing with ThyssenKrupp, both to liabilities and receivables. The adjustment to both intra-group interest income (EUR (31) million) and intra-group interest expenses (EUR 66 million) is based on the assumption that in the acquisition these receivables and liabilities will be settled. The related tax effect is EUR (11) million.

[9] This column reflects Outokumpu's new share issue to ThyssenKrupp, in the aggregate, 29.9 % of its issued and outstanding shares calculated based on Outokumpu's share price of EUR 5.07 per share as of March 1, 2012 totaling EUR 823 million. As the amount of new share issue will be dependent on Outokumpu's share price, it is subject to changes.

Consideration Shares to ThyssenKrupp

Number of Outokumpu shares (no. of shares)	182.002.861
Share price (EUR per share)	5.07
Pre-issue market capitalization (EUR in millions)	**923**
Outokumpu's shareholders' share in the Combined Group	70.1%
ThyssenKrupp's share in the Combined Group	29.9%
Post-issue market capitalization (EUR in millions)(5)	2,752
./. Pre-issue market capitalization (EUR in millions)	923
./. The Offering (EUR in millions)	1,006
Consideration Shares to ThyssenKrupp (EUR in millions)	**823**

(5) Post-issue market capitalization calculated by dividing current market capitalization added with rights issue with the %-ownership of 70.1% of current Outokumpu shares.

In case the share price would be EUR 4.70 per share or EUR 7.00 per share, the Consideration Shares to ThyssenKrupp would amount to EUR 794 million or EUR 973 million, and the gain (negative goodwill) arising from the Transaction EUR 324 million or EUR 145 million, respectively.

[10] Key financial figures of the Combined Group

(EUR in millions, except where otherwise indicated)	**Pro forma 2011**
Key financial figures of the Combined Group	
Capital employed as at December 31	6,623
Operating profit	(401)
in relation to sales, percent	(3.5)
Debt-to-equity ratio (gearing)	59.2
Profit before taxes	(477)
in relation to sales, percent	(4.1)
Net profit for the financial year	(422)
in relation to sales, percent	(3.6)
Net interest-bearing debt	2,462

Definitions of key financial figures of the Combined Group

Capital employed	Total equity + net interest-bearing debt[(1)]
Operating profit in relation to sales, percent	$\frac{\text{Operating profit}}{\text{Sales}}$
Debt-to-equity ratio (gearing)	$\frac{\text{Net interest-bearing debt}^{(1)}}{\text{Total equity}}$
Profit before taxes in relation to sales, percent	$\frac{\text{Profit before taxes}}{\text{Sales}}$
Net profit for the financial year in relation to sales, percent	$\frac{\text{Net profit for the financial year}}{\text{Sales}}$
[(1)] = Net interest-bearing debt	Interest-bearing liabilities + net derivative financial instruments + other interest-bearing payables – investments in associated companies – available for sale financial assets – investment at fair value through profit or loss – other interest-bearing receivables – cash and cash equivalents

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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*

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