

Outokumpu

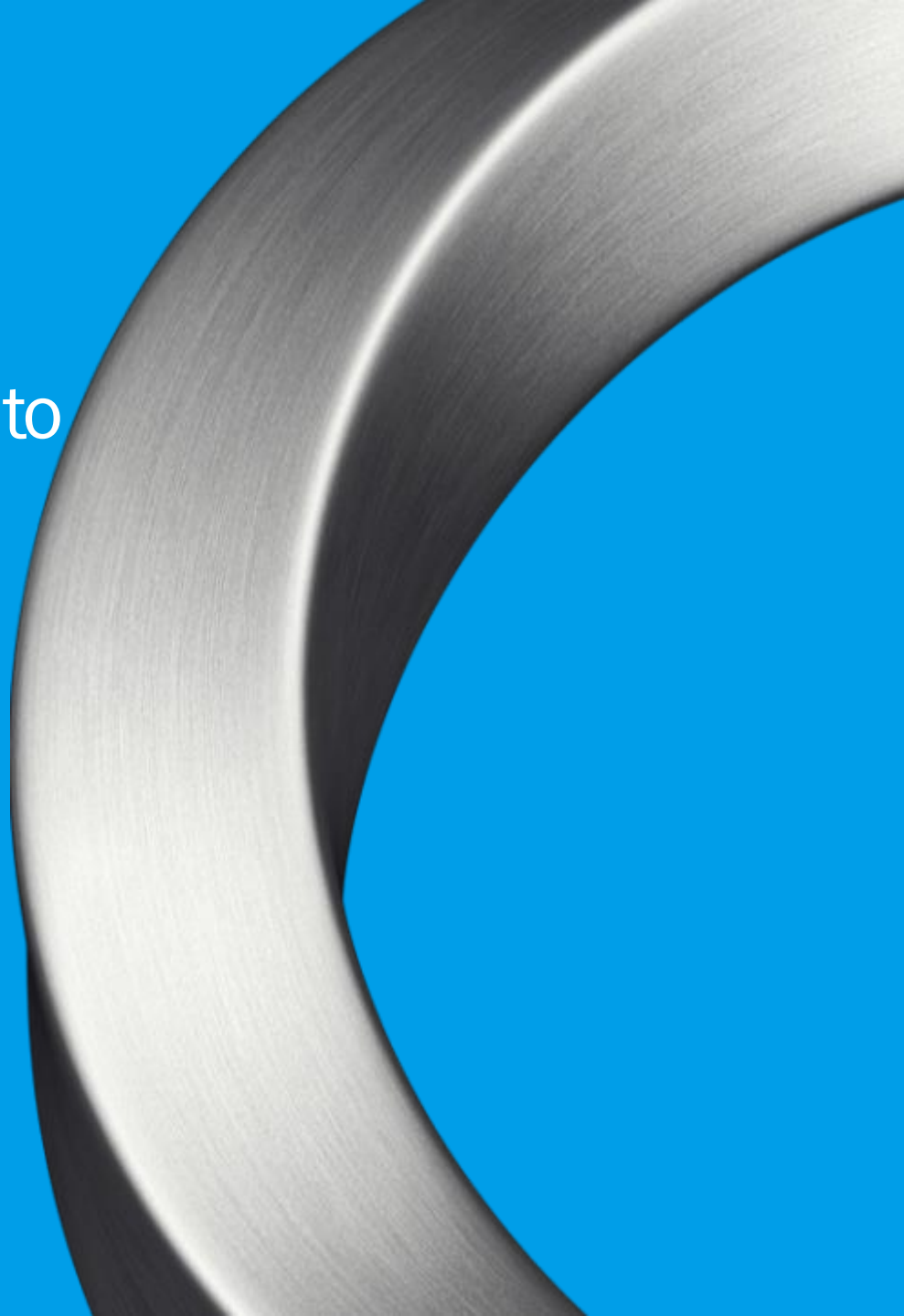
Comprehensive measures to
strengthen balance sheet
and divest Terni and VDM

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Outokumpu

November 30, 2013



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Today's attendees of Outokumpu



Mika Seitovirta
CEO



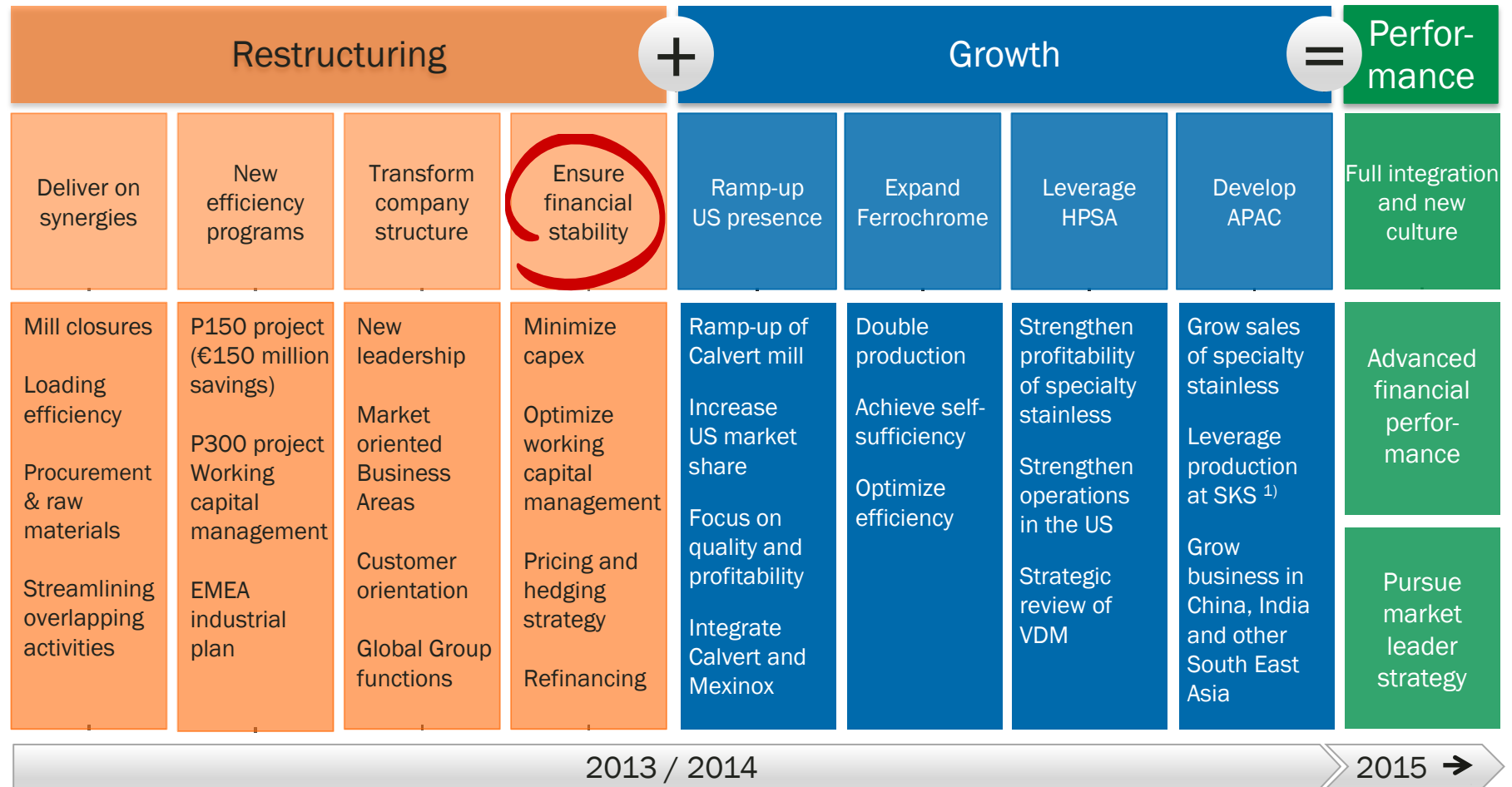
Reinhard Florey
CFO

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2. Financial plan in detail
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Outokumpu Strategy Roadmap

Today's announcement focuses on financial stability



Strong progress in key strategic priorities during the first 11 months since acquisition

Deliver on synergies

- Krefeld meltshop closure as planned in December 2013
- Synergy savings of more than €75 million in 2013
- Headcount reduction of 558 jobs by end of Q3, target 2013 is 770

New efficiency programs

- P150 program: Savings of more than €75 million in 2013
- P300 program: Working capital reduction of €150 million by end of Q3
- New EMEA plan accelerates restructurings in Europe, additional savings €100 million

Ensure financial stability

- Capex reduction to €300 million in 2013, below €200 million in 2014
- Disposal of smaller non-core assets, e.g. Tornio electricity distribution network
- Nov 29 announcement to strengthen balance sheet

Ramp-ups for future growth

- Ramp-up of Ferrochrome proceeds according to plan. Jan-Sep deliveries 315,000 t., in line with target of 400,000 t. in 2013
- Ramp-up of Calvert mill progressing well again in Q3. Jan-Sep deliveries of Stainless Coil Americas reached 346,000 t.

Summary of the announcement

Strengthening of the balance sheet

Divestment of Terni and VDM to ThyssenKrupp

- EUR 1,269 million TK loan note as consideration
- Reduces Outokumpu net debt by approx. EUR 650 million and gearing by approx. 30 percentage points
- Constitutes the final settlement of all remedy related obligations between Outokumpu and ThyssenKrupp
- Support from Outokumpu lenders and shareholder Solidium
- Subject to approval from European Commission, other relevant authorities and Outokumpu EGM and lenders
- Closing expected during Q1 2014

Financial plan to further strengthen balance sheet

- New EUR 500 million committed syndicated loan facility with maturity of 3 years.
- Amendments sought to the terms of existing financing arrangements including extension of their maturities until 2017.
- EUR 650 million rights issue planned to be launched at closing of the transaction
 - Irrevocable commitment from 52.8% shareholders to subscribe pro rata
 - Remaining 47.2% fully underwritten
- ThyssenKrupp to sell its Outokumpu ownership by closing. Solidium to increase ownership to 29.9%.
- Transaction subject to Outokumpu EGM approval of the new share issuance.

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Terni divestiture to ThyssenKrupp details

Terni divestiture package includes following units:

- Terni (Acciai Speciali Terni) integrated mill (CR capacity of 525 kt and melting capacity of 1.5 mt) and associated units in Italy:
 - Societa delle Fucine (AST forging unit)
 - Terninox (AST service center in Milan)
 - Aspasiel (AST IT services unit)
 - Tubificio di Terni (AST tubular products unit)
- Outokumpu service centers:
 - Germany (Willich)
 - France (Tours)
 - Spain (Barcelona)
 - Turkey (Gebze)

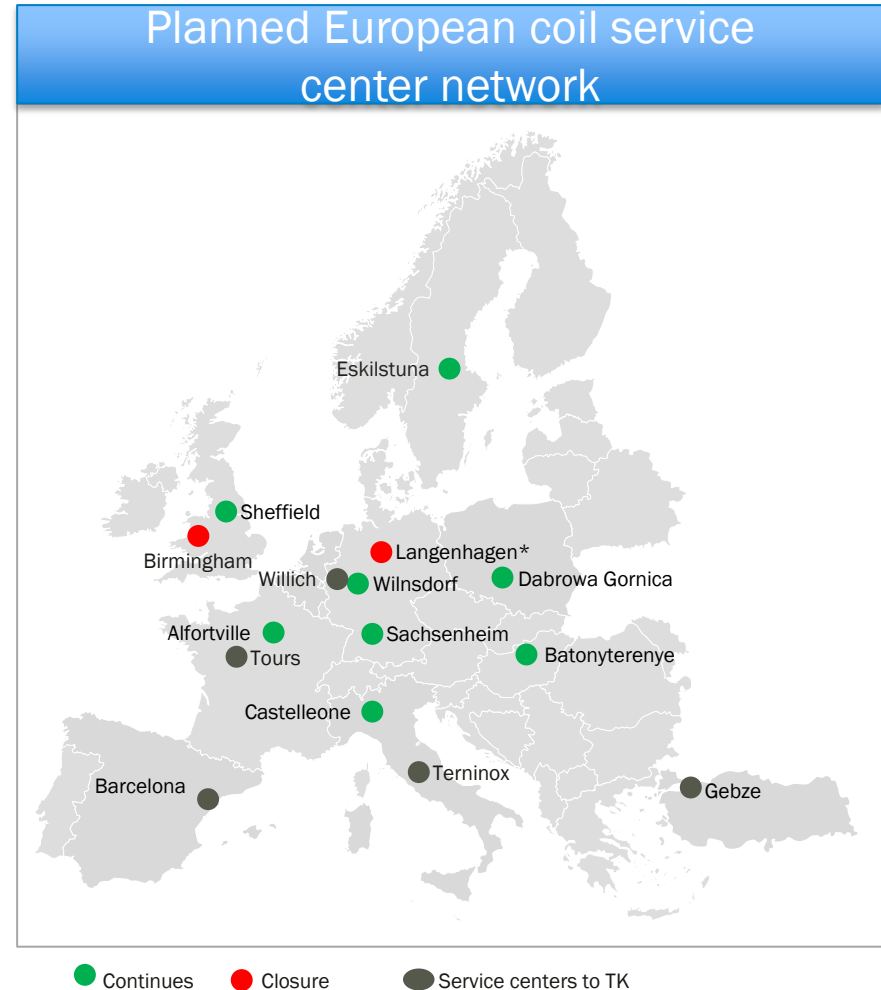
Terni has operated as a ring fenced and independent competitor to Outokumpu since November 2012. Therefore, no significant changes are foreseen in the European competitive landscape as a result of the transaction.

Streamlining of European coil service center network ready

Outokumpu to continue with 8 coil service centers in Europe

- Sachsenheim, Germany
- Wilnsdorf, Germany
- Castelleone, Italy
- Sheffield, UK
- Alfortville, France
- Batonyterenye, Hungary
- Dabrowa Gornica, Poland
- Eskilstuna, Sweden

Service centers managed as profit centers



VDM divestiture concluded as best option in the strategic review

- Conclusions from the strategic review:
- Limited synergies between VDM and Outokumpu's core stainless business
 - Little possibilities for shared production or R&D
 - Independent customer bases
- Relatively high capex outlook for VDM
- Attractive valuation for VDM as part of the ThyssenKrupp transaction



Significant positive impact on balance sheet

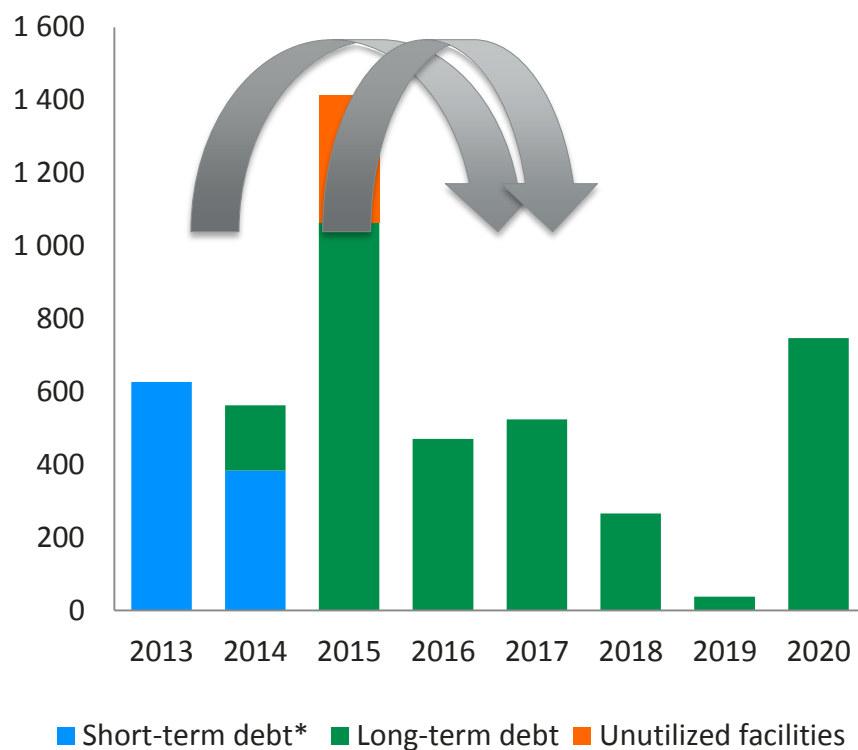


Enables full focus on building Outokumpu's position as the global leader in stainless steel

Divestiture of VDM the best way forward for Outokumpu

Comprehensive financial package to strengthen liquidity and balance sheet

Debt maturities September 30, 2013, MEUR



- Overall liquidity reserves of >EUR 900 million (Sep 31, 2013).
- New EUR 500 million committed loan facility with maturity of 3 years to enhance liquidity at closing.
- Planned maturity extension of EUR 900 million revolving credit facility and other bilateral loans to 2017.
- Discontinuation of the current ThyssenKrupp EUR 250 million back-up facility at closing.
- Planned EUR 650 rights issue to further strengthen balance sheet and liquidity.

Preliminary rights issue details

Size & price

- Size: EUR 650 million
- Price: To be defined at launch of rights issue

Transaction structure

- Rights issue of new ordinary shares with pre-emptive rights for existing shareholders.
- Existing shareholders and other investors may subscribe for other shares without subscription rights (secondary subscription)

Subscription commitments

- Solidium and other shareholders, representing 52.8% of the offering
- Remaining 47.2% underwritten by core banks

Timing

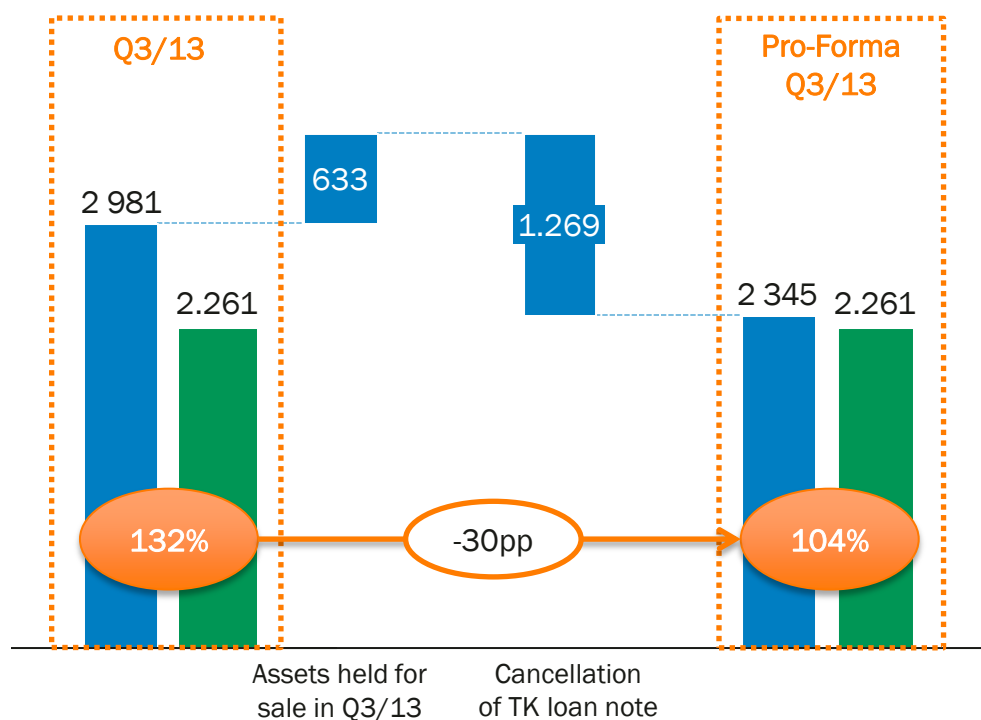
- Q1: Rights issue terms decided & prospectus published
- Q1: Rights issue subscription period

Use of proceeds

- Outokumpu will use the proceeds to manage the turn-around strategy of the company.

Divestitures and planned rights issue to strengthen Outokumpu balance sheet

Illustrative gearing impact of VDM and Terni divestment:
EUR million



VDM and Terni divestment:

- Net debt expected to decrease by approximately EUR 650 million

Further influencing factors on gearing:

- + Planned rights issue of EUR 650 million: Net debt expected to decrease and equity expected to increase by approximately the same amount
- Impact from financial performance in Q4/13 and 2014

■ Net debt ■ Equity ● Gearing



Note: Divestment and rights issue impact on net debt will become visible in Outokumpu figures during H1 2014. Potential reclassification of VDM and other assets to assets held for sale could impact net debt and gearing already in Q4 2013. Not accounting for any underlying operating development.

Expected timeline

November 29, 2013

- Announcement of Terni & VDM sale & financial package
- Underwriting agreement signed
- TK share sale signed

December 2013

- Extension process of existing debt facilities

Jan – Feb 2014

- EGM invitation
- EGM – approval of the rights issue

Q1 2014

- EU Commission and other relevant authority approvals
- Closing of Terni & VDM divestment transaction
- ThyssenKrupp share sale closing
- Rights issue terms decided & prospectus published
- Rights issue subscription period

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Strategic merits of the Innoxum acquisition continue to be strong

Global leader

The global leader in stainless steel with 35-40% market share in Europe and 12% globally.

Capacity reduction & utilization benefits

Enables reduction of 1.4 Mt. melting capacity and additional cold rolling capacity, significantly increasing utilization rates for Outokumpu.

Synergy savings

Delivering annual synergy savings of EUR 200 million. Terni divesture results in accelerated synergy realization profile.

Product and customer base expansion

Broadest stainless steel product range covering both specialty and commodity products. Balanced and diverse customer base covering all customer segments.

Regional rebalancing of portfolio

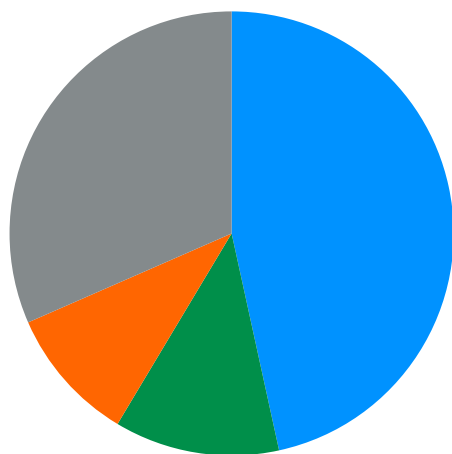
Expanded Outokumpu's business also outside Europe, both to the Americas and APAC. Terni divestment reduces exposure to Southern European market.

Continued weakness of the stainless steel market means that the transaction is even more important than envisioned.

VDM divestiture impact on Outokumpu sales split by Business Area

Reported Group sales ¹⁾

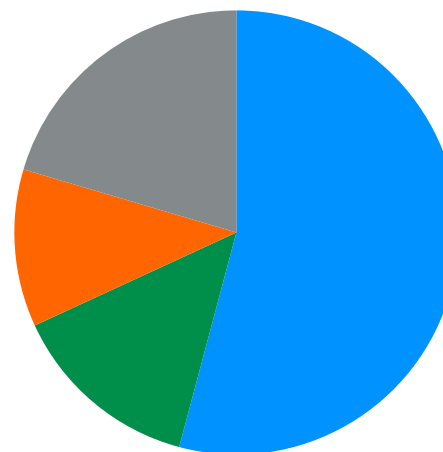
Jan-Sep 2013 Group sales: €6,2 billion



■ EMEA 47% ■ Americas 12%
■ APAC 10% ■ HPSA 32%

Group sales excluding VDM ¹⁾

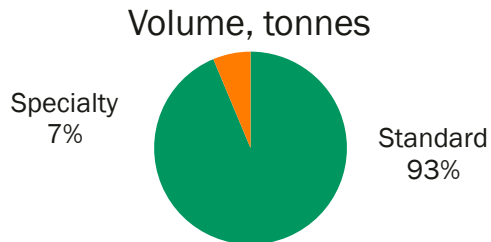
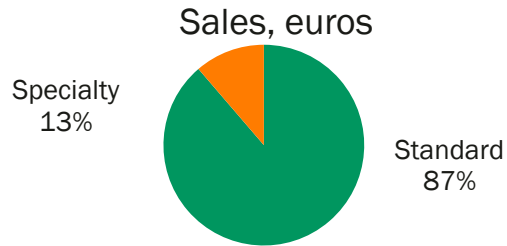
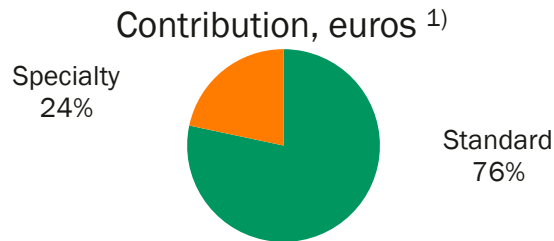
Jan-Sep 2013 Group sales: €5,4 billion



■ EMEA 54% ■ Americas 14%
■ APAC 11% ■ HPSA 20%

Broadest stainless steel product portfolio across standard and specialty grades

Sales and volume split by product type



Product range by grade

Special grades

Duplex grades

High Performance Austenitic grades

Heat resistant grades

Martensitic grades

Standard grades

Standard Austenitic CrNi grades

Standard Austenitic CrNiMo grades

Ferritic grades

All product forms covered: Coil, sheet, plate, quarto plate, long products, thin and precision strip, wire and tube

Way forward to strengthen balance sheet and to reach sustainable profitability

November 29st announcement

Divestiture of Terni and VDM to ThyssenKrupp (at €1,269 mio)

Divestments resulting in ~30 pp reduction in gearing

Amendments to existing financing arrangements

New loan facility of EUR 500 million

EUR 650 million rights issue after closing of transaction

ThyssenKrupp to dissolve their Outokumpu ownership

Ongoing actions to strengthen cash flow and profitability

Total annual savings of EUR 380 million in 2015, EUR 450 million in 2017

Higher capacity utilization and improved product mix

Ramp up and profitability improvement of Calvert, US ¹⁾

Ferrochrome ramp-up, Finland

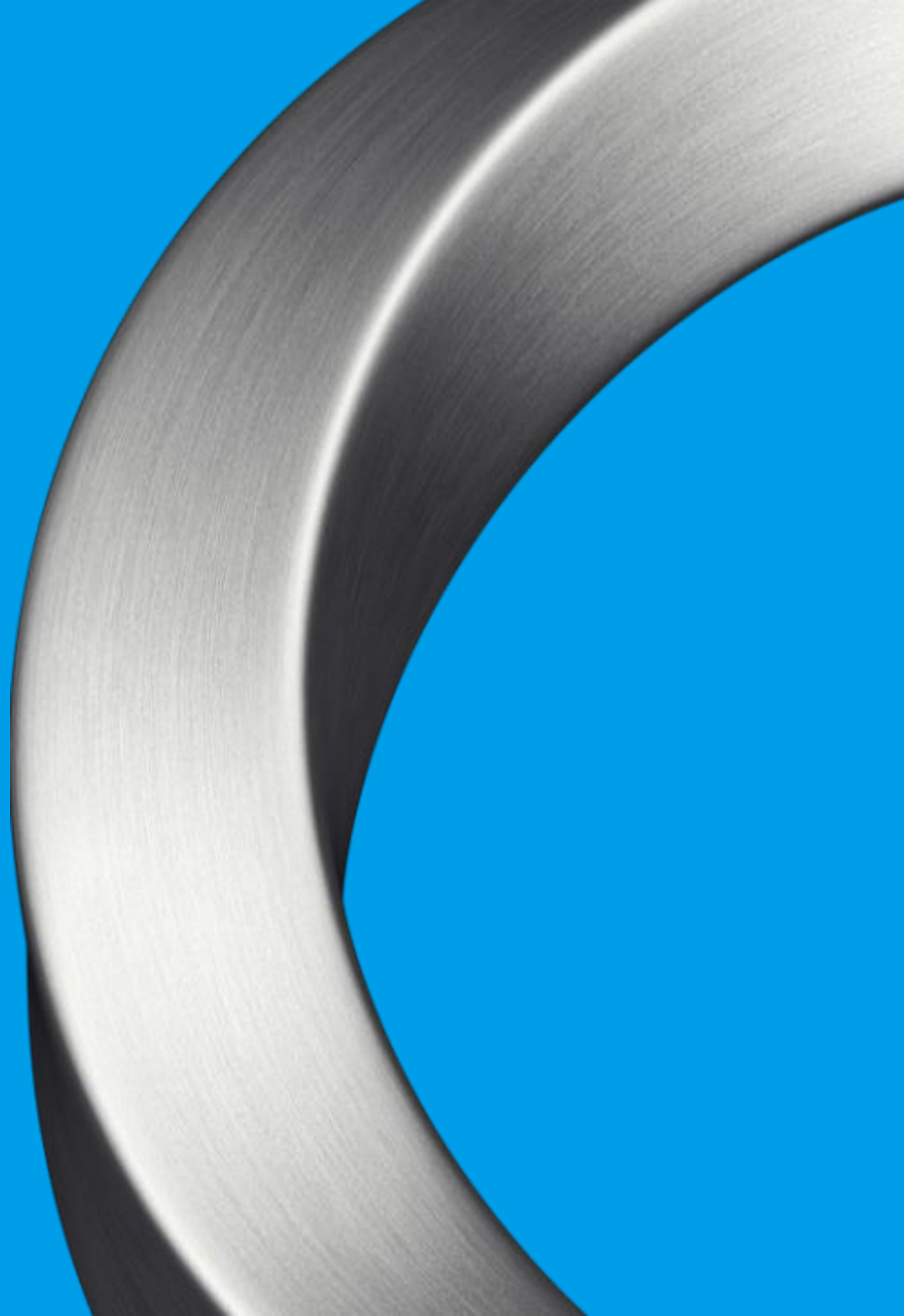
P300: working capital reduction of EUR 300 million by 2014

Significantly lower CapEx at below EUR 200 million in 2014

Key milestone enabling Outokumpu to reinforce global stainless steel leadership position

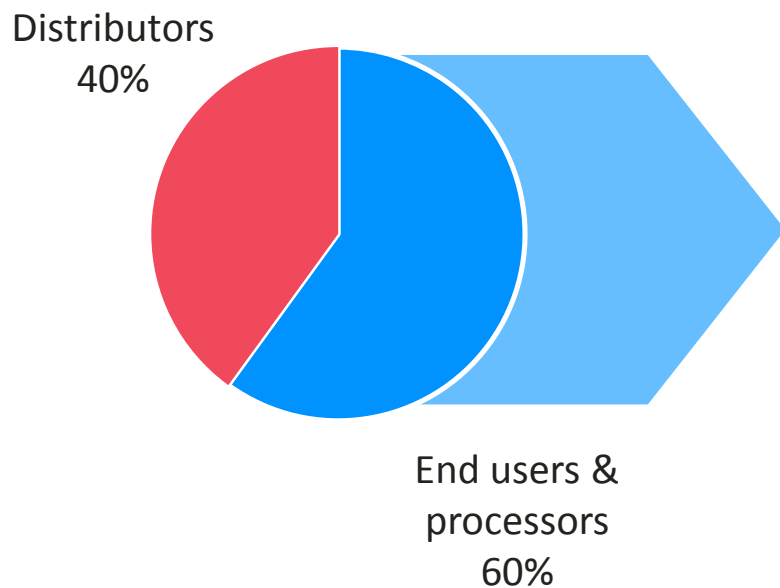
- Solution to the EU requirements and securing of company's balance sheet and liquidity
- Attractive valuations for VDM and Terni
- Strong support from all Outokumpu stakeholders
- Outokumpu's stainless steel offering and value proposition remains intact
- Our goal remains firmly in returning Outokumpu back to profitability and putting us in a position to reduce our debt and pay dividends to our shareholders
- Immediate operational focus is on continuing to deliver on synergies and operational restructuring and driving growth through the ramp-up of the US and ferrochrome investments

Q&A

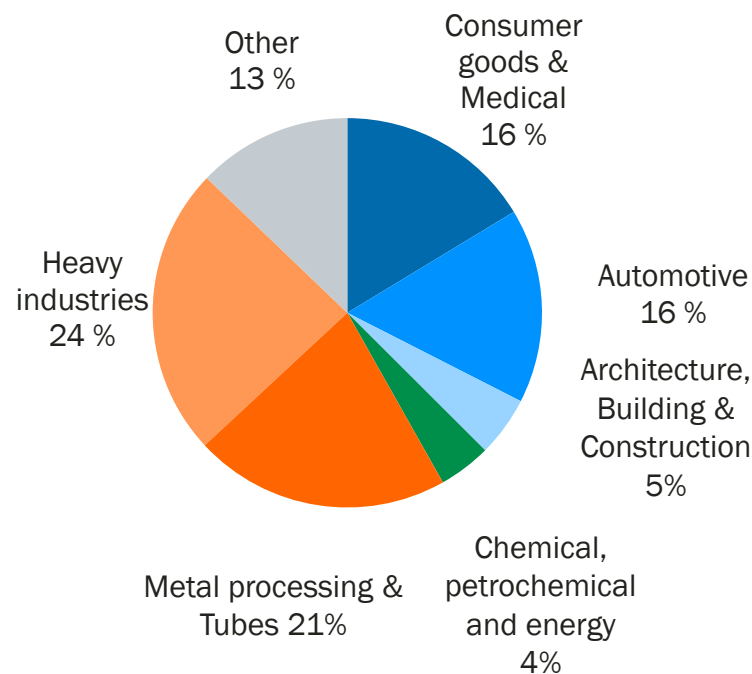


Balanced customer base across industries

Sales by customer segment ¹⁾

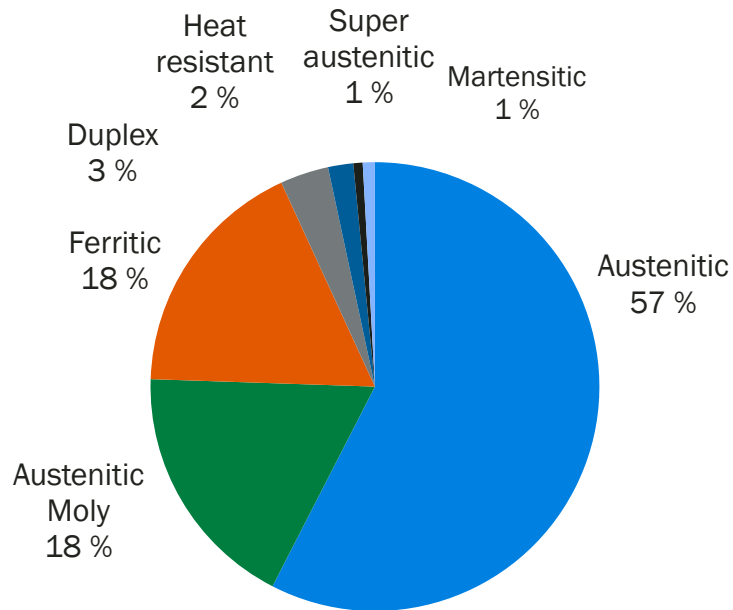


Sales by end-customer segment ¹⁾

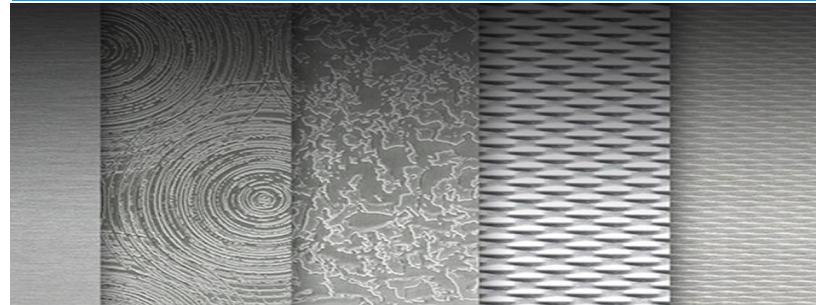


Broadest stainless steel product portfolio across grades, forms and surface finishes

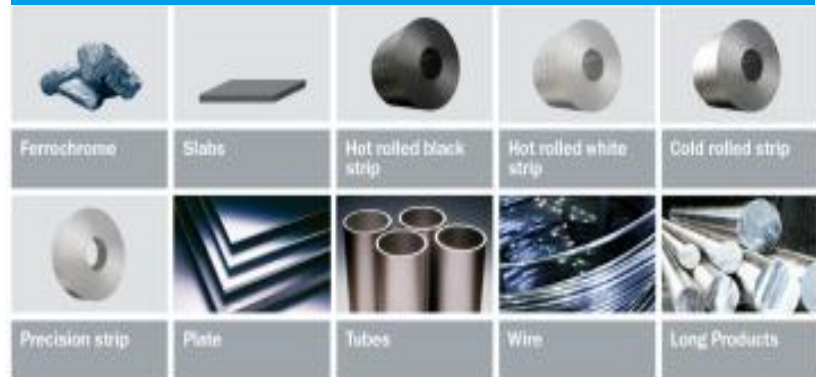
Jan – Sep 2013 deliveries by product grade ¹⁾



All surface finishes: standard & tailored surfaces

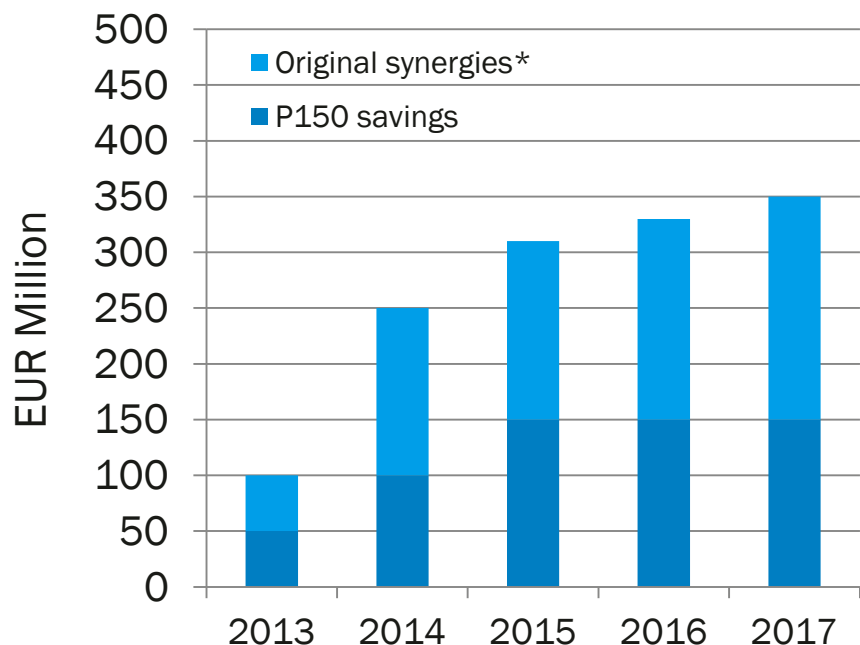


All product forms

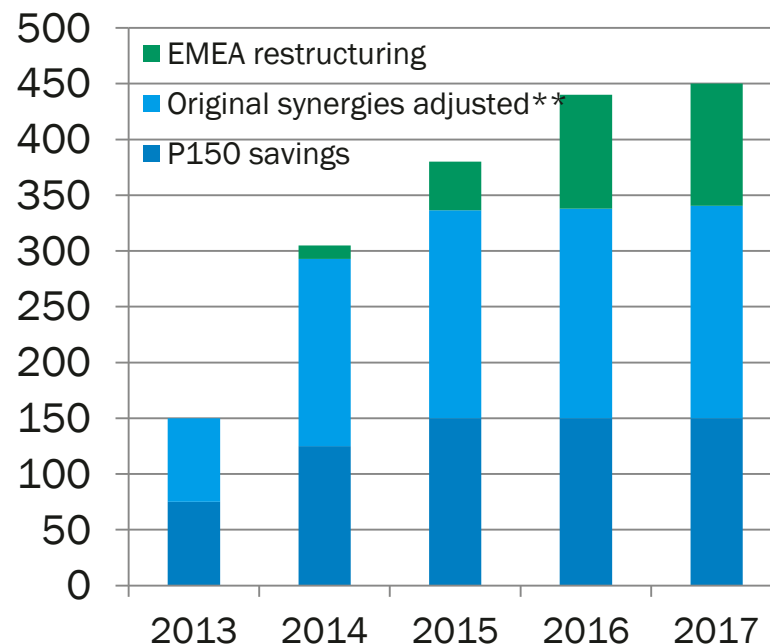


New savings of more than EUR 100 million – overall savings expected to reach EUR 380 million in 2015

Original synergy and P150 savings



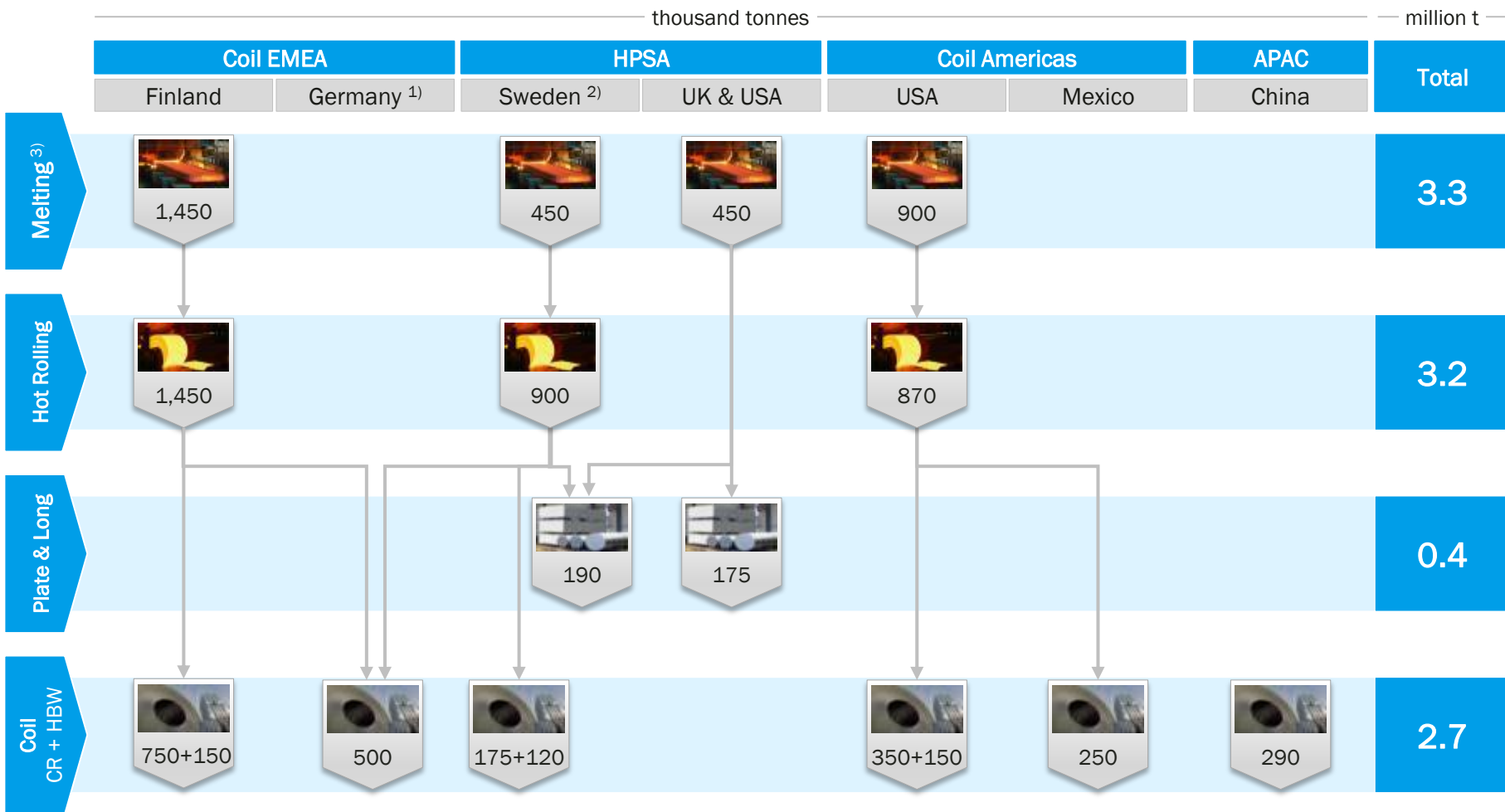
Revised expected savings after new EMEA plan



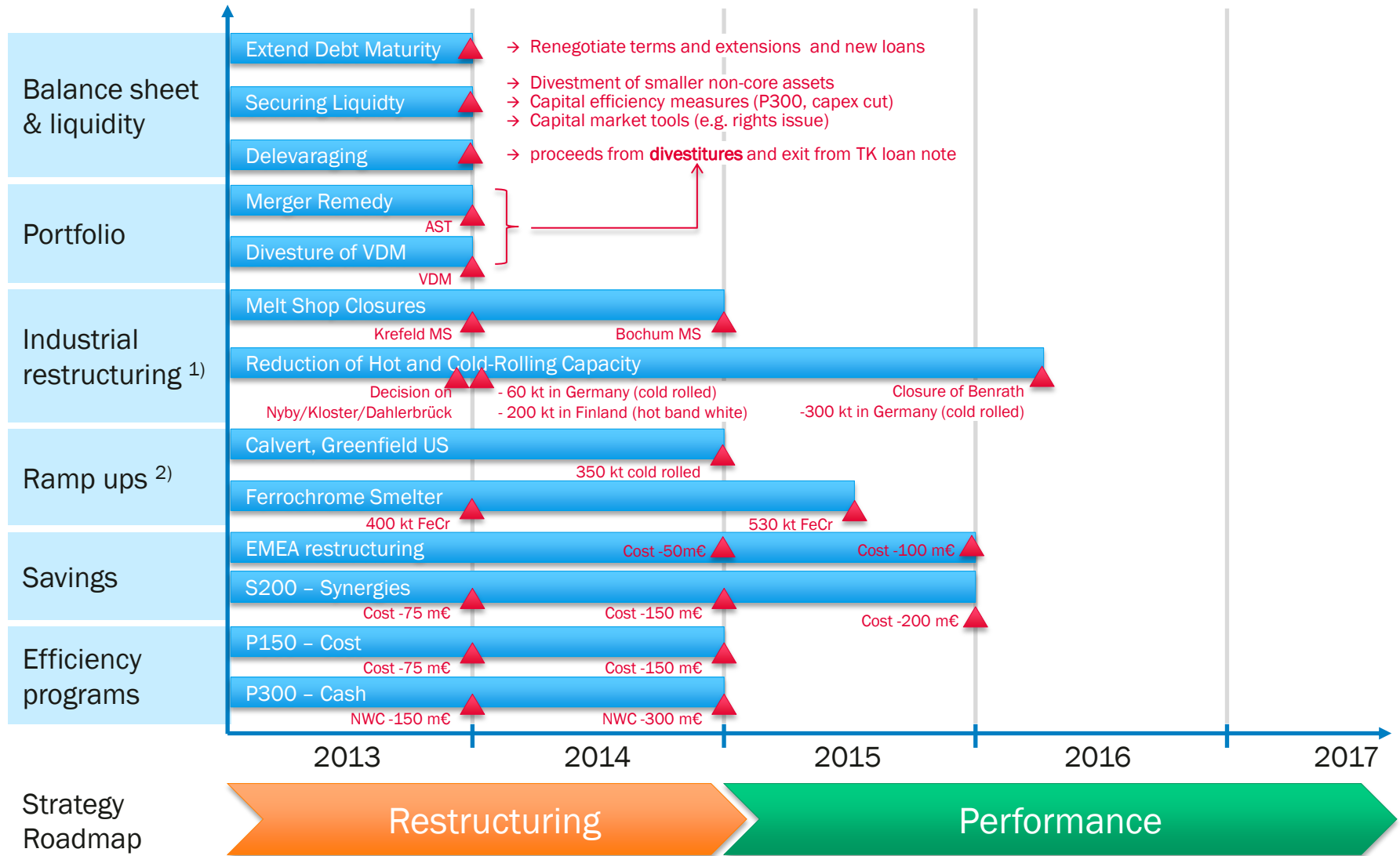
Acceleration and growth of savings as a result of the new plan. New savings of more than EUR 100 million, total savings programs to amount to EUR 380 million in 2015.

Balanced stainless production structure

After the new EMEA industrial plan (planned state end of 2015)



Outokumpu turnaround agenda



Strategy Roadmap

Restructuring

Performance



1) subject to the outcome of ongoing negotiations with unions and work council representatives
 2) in terms of technical capacity and capability, independent of full commercial ramp up
 All cost and cash take out measures are versus 2012

Our value proposition to customers remains intact

**The forever
materials company**

We are

**Outokumpu's
additional
differentiators**

Customer orientation

Technical expertise

Sustainability

**Key customer
priorities**

Product
Quality

Delivery
reliability

Competitive
prices