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## **OUTOKUMPU PROCEEDS WITH ITS DEBT FINANCING ARRANGEMENTS AND CONVENES NOTEHOLDERS' MEETINGS IN RESPECT OF ITS NOTES DUE IN 2015 AND 2016**

Outokumpu is proceeding with its comprehensive measures to strengthen the company's balance sheet as announced on November 30, 2013. There has been significant progress in the negotiations to extend and amend Outokumpu's current debt financing arrangements. Outokumpu has also decided to grant a security package for a majority of its credit facilities and therefore commences a consent solicitation process for its outstanding notes.

Says Outokumpu CFO Reinhard Florey: "We are very pleased with the progress made in the financing negotiations and the strong support from our core banks. Following the completion of our comprehensive financial plan and the divestment of Terni and VDM, Outokumpu's financial position is expected to be significantly stronger. This will further strengthen the execution of our strategy that decisively aims at sustainable profitability through industrial restructuring and efficiency measures as well as the important ramp-up of the Calvert mill in the United States."

### **Update on debt financing arrangements**

Outokumpu has received commitments to and signed mandate letter for a new EUR 900 million revolving credit facility maturing in February 2017. This facility will replace the facility for the same amount signed on July 12, 2013 and maturing in June 2015. BNP Paribas, Credit Agricole Corporate and Investment Bank, Danske Bank, Svenska Handelsbanken, JP Morgan, Nordea, Pohjola Bank, The Royal Bank of Scotland, Skandinaviska Enskilda Banken and Swedbank act as Mandated Lead Arrangers and Lenders of the new facility. The new revolving credit facility is subject to certain conditions, including the closing of the divestiture of the Terni and VDM units to ThyssenKrupp, and finalization of the loan documentation which is expected in February 2014. The revolving credit facility agreement will include financial covenants concerning gearing and liquidity.

Outokumpu has also made progress in extending and amending its bilateral loan portfolio of about EUR 600 million. Outokumpu has obtained the required consents from most lenders to extend the loan maturities until February 2017, and expects to complete this process in February 2014.

Outokumpu and ThyssenKrupp have also agreed to amend and extend the outstanding credit facility in the amount of EUR 250 million granted by ThyssenKrupp. This facility will be settled at the closing of the sale of the Terni and VDM units to ThyssenKrupp to end all financing agreements between the two companies.

As previously communicated, certain lenders of Outokumpu have committed to a new EUR 500 million syndicated loan to enhance Outokumpu's liquidity. The liquidity facility is expected to mature in 2017, and loan documentation is expected to be finalized in February 2014.

### **Security package for the loans**

Outokumpu will grant a security package to secure its debt financing. As security, Outokumpu plans to pledge certain of its subsidiary shares for example in Finland, Sweden and USA as well as certain other assets. The security package ensures financing on competitive prices and its benefits clearly surpass its costs, which are only marginal. The security package is expected to cover most of the parent company debt financing, including the new EUR 500 million liquidity facility, the EUR 900 million revolving credit facility, certain bilateral loans as well as the outstanding notes.

### Solicitation process for the outstanding notes commences

The granting of the proposed security package requires the consent of the holders of the Outokumpu's notes maturing in 2015 and 2016 as well as certain related amendments to the terms and conditions of such notes. In order to obtain the required consents, Outokumpu is offering the holders of the notes the right to benefit from the same security package as is proposed in relation to the above described financing arrangements and proposing the terms and conditions of the notes to be amended accordingly. For purposes of obtaining the requisite consents, Outokumpu commences a consent solicitation process for the notes and will call noteholders' meetings for February 7, 2014 in Helsinki, Finland. As part of such consent solicitation process, Outokumpu is seeking certain additional consents and waivers in relation to certain transactions with ThyssenKrupp and a certain subordination deed.

In the consent solicitation process, Outokumpu will offer instruction fees as follows: those holders of the 2015 and 2016 notes who submit voting instructions in favor of the resolution prior to the instruction deadline, 12.00 noon on February 6, 2014, are eligible to receive an instruction fee equal to 0.50 percent and 0.80 percent, respectively, of the principal amount of the notes. A lower instruction fee of 0.10 percent of the principal amount of the relevant notes is offered to noteholders who attend a meeting and vote in favor of the resolution. The full payment of instruction fees is conditional for the resolutions having been passed and the completion of Outokumpu's debt refinancing measures. An invitation to the noteholders' meetings is attached.

For more information:

Investors: Johanna Henttonen, tel. +358 9 421 3804, mobile +358 40 530 0778

Media: Saara Tahvanainen, tel. +358 40 589 0223

### Outokumpu Group

Outokumpu is the global leader in stainless steel and high performance alloys. We create advanced materials that are efficient, long lasting and recyclable – thus building a world that lasts forever. Stainless steel, invented a century ago, is an ideal material to create lasting solutions in demanding applications from cutlery to bridges, energy and medical equipment: it is 100% recyclable, corrosion-resistant, maintenance-free, durable and hygienic. Outokumpu employs more than 15 000 professionals in more than 40 countries, with headquarters in Espoo, Finland and shares listed in the NASDAQ OMX Helsinki. [www.outokumpu.com](http://www.outokumpu.com)

### Disclaimer

In respect of the consent solicitation process, this announcement must be read in conjunction with the Consent Solicitation Memorandum. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, legal counsel, accountant or other appropriately authorized independent financial advisor.

Neither this announcement nor the Consent Solicitation Memorandum constitutes an invitation to participate in the consent solicitation in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution or publication of this announcement or of the Consent Solicitation Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement or the Consent Solicitation Memorandum comes are required by Outokumpu to inform themselves about, and to observe, any such restrictions.

### Invitation to noteholders' meetings for Outokumpu Notes due in 2015 and 2016

Outokumpu Oyj (“**Outokumpu**”) convenes the holders of its EUR 250,000,000 5.125 percent Notes due 2015 (ISIN FI4000013354) (the “**2015 Notes**”) and of its EUR 150,000,000 5.875 percent Notes due 2016 (ISIN FI4000043856) (the “**2016 Notes**”) to a noteholders' meeting in accordance with Condition 11 of the terms and conditions of the 2015 Notes and Condition 12 of the terms and conditions of the 2016 Notes, respectively.

## 2015 Notes

The noteholders' meeting of the 2015 Notes will be held on February 7, 2014 from 12.00 noon onwards at Hilton Helsinki Strand Hotel, at the address John Stenbergin ranta 4, 00530 Helsinki. Registration for the meeting will be open from 10.00 to 11.45 am.

## Agenda

For the 2015 Notes, a noteholders' meeting is being convened for the purpose of obtaining their sanction of the following consents and amendments of the terms and conditions of the 2015 Notes.

### Proposal relating to the granting of security and amendment of the terms and conditions of the 2015 Notes and to certain transactions and the Subordination Deed

Outokumpu proposes that the holders of the 2015 Notes resolve to:

- (a) grant an irrevocable consent under paragraph (b) of Condition 9 (*Events of Default*) of the terms and conditions of the 2015 Notes for Outokumpu to grant security in relation to the 2016 Notes and any other future notes or other debt securities of Outokumpu provided that such security secures also the 2015 Notes *pari passu* with such other notes or debt securities, and amend paragraph (b) of Condition 9 (*Events of Default*) accordingly;
- (b) amend Condition 6 (*Status and Security*) of the terms and conditions of the 2015 Notes in such a manner that the holders of the 2015 Notes shall become entitled to the same security package as is proposed to be granted to the holders of the 2016 Notes and to certain other secured creditors. Pursuant to such proposal, CorpNordic Finland Oy would be appointed as a noteholders' agent (the "**Noteholders' Agent**") to represent and act for the holders of the 2015 Notes in accordance with the terms and conditions of such Notes. Outokumpu, the Noteholders' Agent and certain other creditors would also enter into an intercreditor agreement (the "**Intercreditor Agreement**") appointing a security agent to represent and act for the secured parties in relation to such security package in accordance with the amended Condition 6 (*Status and Security*) and the Intercreditor Agreement;
- (c) appoint and instruct CorpNordic Finland Oy as the Noteholders' Agent to execute the Intercreditor Agreement and all other documentation necessary or required to implement and give effect to paragraph (b) above;
- (d) grant an irrevocable consent to the execution and completion of a certain transaction between certain members of the Outokumpu Group and certain members of the ThyssenKrupp Group;
- (e) grant an irrevocable consent to the termination of a certain subordination deed (the "**Subordination Deed**");
- (f) waive all claims any holder of the 2015 Notes has or may have under or pursuant to the terms of the Subordination Deed against any member of the ThyssenKrupp Group and/or any other person; and
- (g) appoint and instruct CorpNordic Finland Oy in its capacity as senior creditor representative to execute all documentation and deeds necessary or required to implement and give effect to paragraphs (d) through (f) (inclusive).

## 2016 Notes

The noteholders' meeting of the 2016 Notes will be held on February 7, 2014 from 1.30 pm onwards at Hilton Helsinki Strand Hotel, at the address John Stenbergin ranta 4, 00530 Helsinki. Registration for the meeting will be open from 10.00 am to 1.15 pm.

## Agenda

For the 2016 Notes, a noteholders' meeting is being convened for the purpose of obtaining their sanction of the following consents and amendments of the terms and conditions of the 2016 Notes.

### **Proposal relating to the granting of security and amendment of the terms and conditions of the 2016 Notes and to certain transactions and the Subordination Deed**

Outokumpu proposes that the holders of the 2016 Notes resolve to:

(a) grant an irrevocable consent under Condition 9 (*Excess Secured Indebtedness*) of the terms and conditions of the 2016 Notes for Outokumpu to grant security for the joint benefit of certain bank creditors and noteholders in deviation of the limitation set out under Condition 9 (*Excess Secured Indebtedness*) and to amend the terms and conditions of the 2016 Notes by deleting the content of Condition 9 (*Excess Secured Indebtedness*) and leaving Condition 9 blank;

(b) grant an irrevocable consent under paragraph (b) of Condition 10 (*Events of Default*) of the terms and conditions of the 2016 Notes for Outokumpu to grant security and guarantees in relation to the 2015 Notes and any other future notes or other debt securities of Outokumpu provided that such security or guarantee secures or guarantees, as applicable, also the 2016 Notes *pari passu* with such other notes or debt securities, and amend paragraph (b) of Condition 10 (*Events of Default*) accordingly;

(c) amend Condition 6 (*Status and Security*) of the terms and conditions of the 2016 Notes in such a manner that the holders of the 2016 Notes shall become entitled to the same security package as is proposed to be granted to the holders of the 2015 Notes and to certain other secured creditors. Pursuant to such proposal, CorpNordic Finland Oy would be appointed as a Noteholders' Agent to represent and act for the holders of the 2016 Notes in accordance with the terms and conditions of such Notes. Outokumpu, the Noteholders' Agent and certain other creditors would also enter into the Intercreditor Agreement appointing a security agent to represent and act for the secured parties in relation to such security package in accordance with the amended Condition 6 (*Status and Security*) and the Intercreditor Agreement;

(d) appoint and instruct CorpNordic Finland Oy as the Noteholders' Agent to execute the Intercreditor Agreement and all other documentation necessary or required to implement and give effect to paragraph (c) above;

(e) grant an irrevocable consent to the execution and completion of a certain transaction between certain members of the Outokumpu Group and certain members of the ThyssenKrupp Group;

(f) grant an irrevocable consent to the termination of the Subordination Deed;

(g) waive all claims any holder of the 2016 Notes has or may have under or pursuant to the terms of the Subordination Deed against any member of the ThyssenKrupp Group and/or any other person; and

(h) appoint and instruct CorpNordic Finland Oy in its capacity as senior creditor representative to execute all documentation and deeds necessary or required to implement and give effect to paragraphs (e) through (g) (inclusive).

## Quorum

Each noteholders' meeting shall constitute a quorum if two or more noteholders present hold at least 50 percent of the principal amount of the relevant notes outstanding. Resolutions concerning the consent and amendment of terms requires at least two-thirds (2/3) of the votes cast in the meeting. If less than 50 percent of the principal amount is represented in the meeting, Outokumpu may organize an adjourned noteholders' meeting where the lower quorum requirements as stated in the terms of the relevant notes are applied.

### Registration and additional information

Outokumpu has appointed Danske Bank Oyj as Finnish Tabulation and Payment Agent relating to the meetings. The Finnish Tabulation and Payment Agent will mail this Notice of Meeting and more detailed instructions relating to registration and meetings to the address of each noteholder as it appears in the book-entry register held by Euroclear Finland Ltd or as is otherwise known to the Finnish Tabulation and Payment Agent. If a noteholder has not received such letter by January 30, 2014, such noteholder is requested to contact Danske Bank Oyj, e-mail [invitations.markets@danskebank.com](mailto:invitations.markets@danskebank.com), telephone +358 (0)10 513 8794.

Outokumpu has appointed Lucid Investor Services Limited as Tabulation Agent to assist in the organization of the noteholders' meetings, including arrangements relating to registration, voting and granting powers of attorney electronically through a dedicated website. Additional information relating to the electronic registration process is available from Lucid, e-mail [otk@lucid-is.com](mailto:otk@lucid-is.com), telephone +44 (0)20 7704 0880.

Outokumpu has appointed Danske Bank Oyj, Nordea Bank Finland Plc and Swedbank AB (publ) as Solicitation Agents relating to this consent solicitation process. Questions relating to the consent solicitation and requests for the Consent Solicitation Memorandum should be referred to the Solicitation Agents:

Danske Bank Oyj: e-mail [invitations.markets@danskebank.com](mailto:invitations.markets@danskebank.com), telephone +358 (0)10 513 8794  
Nordea Bank Finland Plc: e-mail [sijoitustuotteet@nordea.com](mailto:sijoitustuotteet@nordea.com), telephone + 358 (0)9 369 50880  
Swedbank AB (publ): e-mail [outokumpu@swedbank.fi](mailto:outokumpu@swedbank.fi), telephone +358 (0)20 746 9163

The proposals for the noteholders' meetings are available in full at the office of Outokumpu at Riihitontuntie 7 A, 02200 Espoo.

Any noteholder intending to attend the meeting in person is requested to inform of its attendance by February 6, 2014 at 12.00 noon by e-mail [invitations.markets@danskebank.com](mailto:invitations.markets@danskebank.com) or by telephone +358 (0)10 513 8794. A noteholder or its representative attending the meeting shall prove its identity and, if applicable, right of representation as well as present evidence on the amount of notes owned by such noteholder (such as an account statement given by an account operator not older than one banking day which states the principal amount of the relevant notes on the noteholder's book-entry account).

Espoo, January 27, 2014

Outokumpu Oyj