

April 17, 2014 at 2.00 pm EET

OUTOKUMPU – LAUNCH OF PLAN 2014–2016 OF SHARE-BASED INCENTIVE PROGRAMS

Outokumpu's Board of Directors has approved the commencement of the third plan (plan 2014–2016) of Performance Share Plan 2012 and Restricted Share Pool 2012. The Board of Directors has also approved the adjustment of the original share grants of the on-going plan periods due to the rights issue.

Performance Share Plan 2012, plan period 2014–2016

The Board of Directors of Outokumpu approved on January 31, 2012 the establishment of a share-based incentive plan, Performance Share Plan 2012, which is part of the remuneration and commitment program for the key management of Outokumpu Group. Performance Share Plan 2012 offers a possibility to receive Outokumpu shares as a long-term incentive reward if the targets set by the Board of Directors for each earning period are achieved. Performance Share Plan 2012 consists of annually commencing individual Plans. Each plan contains a three-year earning period after which the share rewards possibly earned will be delivered to the participants.

The Board of Directors has approved the commencement of the third plan of Performance Share Plan 2012, plan 2014–2016. Plan 2014–2016 commences at the beginning of 2014 and the share rewards possibly to be delivered based on it will be delivered in spring 2017. The earning criteria applied for the year 2014 are EBIT improvement and business cash flow.

The Board of Directors has approved that in total 150 managers and key employees may participate in plan 2014–2016. The maximum number of gross shares (taxes included) that can be allocated from the plan is 56,000,000 from which applicable taxes will be deducted. The remaining net value will be delivered to the participants in Outokumpu shares, if the performance criteria set by the Board are met.

Restricted Share Pool 2012, plan period 2014–2016

The Board of Directors of Outokumpu approved on January 31, 2012 the establishment of a Restricted Share Pool program, which enables long-term rewarding of selected individual employees of Outokumpu Group. The Restricted Share Pool is a part of the remuneration and commitment program for selected key resources of Outokumpu Group. It consists of annually commencing individual plans, each with a three-year vesting period after which the allocated share rewards will be delivered to the participants provided that their employment with Outokumpu continues uninterrupted throughout the duration of the plan, until the shares are delivered.

The Board of Directors has approved the commencement of the third plan of the Restricted Share Pool, plan 2014–2016. Plan 2014–2016 commences at the beginning of 2014 and the share rewards possibly to be delivered based on it will be delivered in the spring 2017. Restricted share grants are approved annually by the CEO on the basis of the authorization granted by the Board of Directors, with the exception of possible allocations to the Leadership Team members, which will be approved by the Board of Directors. The maximum number of shares that may be allocated within the third plan 2014–2016 is 8,000,000 gross shares from which applicable taxes will be deducted, and the remaining net-value will be delivered to the participants in Outokumpu shares.

In 2013, three people were invited to participate in the plan 2013–2015 and they were granted in total 122,500 gross shares.

Other terms

The aggregate reward of an individual participant under the above programs, together with other short-term and long-term incentives of the participant, may not exceed 200% of the participant's annual base salary.

No new shares will be issued in connection with the above share-based incentive programs and therefore the programs will have no diluting effect.

According to the share ownership requirement applied in Outokumpu, the members of the Outokumpu Leadership Team are obliged to own Outokumpu shares received under incentive programs corresponding to the value of their annual gross base salary. 50% of net shares received from these new programs must be used to fulfil the above ownership requirement.

Adjustment of share grants of the on-going plans due to the rights issue

The Board of Directors has approved that the number of gross shares allocated from the on-going share-based plans is technically adjusted in line with the terms and conditions of the plans. The reason for the adjustment is to maintain the proportional position of the allocated shares in relation to the Company's outstanding shares since there has been a change in the number of the outstanding shares of the Company as a result of the rights offering announced on February 28, 2014, in which the Company's shareholders were entitled to participate in proportion to the number of their shares.

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Outokumpu Group

Outokumpu is a global leader in stainless steel. 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 12 000 professionals in more than 30 countries, with headquarters in Espoo, Finland and shares listed in the NASDAQ OMX Helsinki. www.outokumpu.com