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OUTOKUMPU – LAUNCH OF PLAN 2015–2017 OF SHARE-BASED INCENTIVE PROGRAMS

Outokumpu's Board of Directors has approved the commencement of the fourth plan, plan 2015–2017, of Performance Share Plan 2012 and Restricted Share Pool 2012.

Performance Share Plan 2012, plan period 2015–2017

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 will be delivered to the participants in case the earnings criteria are met.

The Board of Directors has approved the commencement of the fourth plan of Performance Share Plan 2012, plan 2015–2017. Plan 2015–2017 commences at the beginning of 2015 with the share rewards distributed in spring 2018. The earning criteria applied for the plan are ROCE ranking among peers in 2017, EBIT excluding non-recurring items for the year 2015 and cash flow (business cash flow) for the year 2015. Earnings criteria for subsequent years of the plan will be set later.

The Board of Directors has approved that in total 150 managers and key employees may participate in plan 2015–2017. The maximum number of gross shares (taxes included) that can be allocated from the plan is 2,900,000 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 2015–2017

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 fourth plan of the Restricted Share Pool, plan 2015–2017. Plan 2015–2017 commences at the beginning of 2015 with the share rewards distributed in the spring 2018. Restricted share grants are approved annually by the CEO on the basis of the authorisation granted by the Board of Directors, with the exception of possible allocations to the Leadership Team members, which will be approved by the Board. The maximum number of shares that may be allocated within the fourth plan 2015–2017 is 320,000 gross shares from which applicable taxes will be deducted, and the remaining net-value will be delivered to the participants in Outokumpu shares.

Other terms

The aggregate reward for each 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 this requirement.

For more information:

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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