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## **OUTOKUMPU ANNOUNCES THE FINAL TERMS OF UP TO EUR 250 MILLION SENIOR UNSECURED CONVERTIBLE BOND**

Outokumpu announces the successful placing and pricing of its offering (the "Offering") of senior unsecured convertible bonds due February 2020 convertible into ordinary shares in Outokumpu (the "Bonds"). The principal amount of EUR 215 million may be increased to up to EUR 250 million if the over-allotment option is exercised in full.

The issuance of the Bonds is part of Outokumpu's plan to actively diversify its funding base and to reduce financing costs. The proceeds from the Offering will be used to refinance Outokumpu's existing financial indebtedness and for the redemption of the senior secured notes maturing in 2016.

Following the issue of the convertible bond, Outokumpu is planning to cancel the remaining unutilized EUR 250 million of its EUR 500 million liquidity facility that was agreed in February 2014.

The Bonds carry a coupon of 3.25% per annum payable semi-annually in arrears on February 26 and August 26 in each year, with the first interest payment date being August 26, 2015. There is a coupon step-up by 0.75% if Outokumpu's secured capital market indebtedness (excluding any existing secured notes indebtedness) exceeds EUR 250 million. The initial conversion price has been set at EUR 7.4268 representing a premium of 30% above the volume-weighted average price of the Outokumpu share on Nasdaq Helsinki between launch and pricing of the Offering. The conversion price will be subject to adjustments for any dividend in cash or in kind as well as customary anti-dilution adjustments, pursuant to the terms and conditions of the Bonds.

Based on the initial conversion price and assuming the over-allotment option is exercised in full, the maximum number of the Outokumpu shares underlying the Bonds is approximately 33.7 million shares, representing approximately 8.1% of the total number of Outokumpu's issued and outstanding shares immediately prior to the Offering.

The Bonds will be issued at par and will be redeemed at par on February 26, 2020, unless otherwise redeemed, purchased, converted or cancelled.

Outokumpu has the right to redeem all outstanding Bonds on or after the third anniversary plus 15 days after the settlement date if the volume weighted average price of the Outokumpu share exceeds 130% of the then prevailing conversion price for a specified period of time. Outokumpu will also have the right to redeem all outstanding Bonds at any time if conversion rights are exercised and/or purchases (and corresponding cancellations) and/or redemptions are effected in respect of at least 85% of the initial principal amount of the Bonds. The holders of the Bonds will continue to have a right to exercise conversion rights up to and including the tenth day before the date fixed for any such redemption. There will be an investor put option in the event of a change of control of Outokumpu.

Settlement and delivery of the Bonds is expected to take place on or about February 26, 2015. Outokumpu will procure an application to be made to admit the Bonds trading on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange prior to the first interest payment date.

Outokumpu's Board of Directors decided to issue the Bonds on the basis of authorization granted by the Extraordinary General Meeting held on June 16, 2014.

Outokumpu has agreed to a lock-up for a period commencing from pricing and ending 90 calendar days from the settlement date, subject to customary exceptions.

Crédit Agricole Corporate and Investment Bank is acting as Sole Global Coordinator and Bookrunner for the Offering, and BNP PARIBAS, J.P. Morgan Securities plc, Nordea Bank Danmark A/S, Pohjola Bank plc, Skandinaviska Enskilda Banken AB (publ) and The Royal Bank of Scotland plc are acting as Co-Lead Managers for the Offering.

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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 Helsinki. [www.outokumpu.com](http://www.outokumpu.com)

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The Offering is addressed to, and directed in member states of the European Economic Area which have implemented Directive 2003/71/EC (as amended, the "Prospectus Directive") at, persons who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive ("qualified investors"). In addition, in the United Kingdom, the Offer is directed only at qualified investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and qualified investors falling within Article 49(2)(a) to (d) of the Order or (ii) to whom it may otherwise lawfully be communicated under the Order (all such persons together being referred to as "relevant persons"). This communication must not be acted on or relied on by persons who are not relevant persons in the United Kingdom or qualified investors as the case may be. Any investment or investment activity to which this communication relates is available only to relevant persons in the United Kingdom or qualified investors and will be engaged in only with relevant persons or qualified investors as the case may be.

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Crédit Agricole CIB (the "Bookrunner"), BNP PARIBAS, J.P. Morgan Securities plc, Nordea Bank Danmark A/S, Pohjola Bank plc, Skandinaviska Enskilda Banken AB (publ) and The Royal Bank of Scotland plc (the "Co-Lead Managers" and together with the Bookrunner, the "Managers") are acting exclusively for Outokumpu and no one else in connection with the Offering and will not be responsible to any other person for providing the protections afforded to clients of the Managers or for providing advice in relation to the Offering, the Bonds or any other transaction, matter or arrangement referred to in this announcement.

Unless otherwise required by applicable securities laws, each of Outokumpu and the Managers and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any statement contained in this announcement whether as a result of new information, future developments or otherwise.

In connection with the Offering, the Managers and any of their respective affiliates, acting as investors for their own accounts, may subscribe for or purchase securities and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such securities and any other securities of Outokumpu or related investments in connection with the Bonds, Outokumpu or otherwise. Accordingly, references to the securities being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Managers and any of their respective affiliates acting as investors for their own accounts. The Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

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In connection with the Offering, Crédit Agricole Corporate and Investment Bank or any person acting on behalf of the stabilizing manager (the “Stabilizing Manager”) may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager (or any persons acting on behalf of the Stabilizing Manager) will undertake stabilization action. Any stabilization action, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of allotment of the bonds. Any stabilization action or over allotment shall be conducted in accordance with all applicable laws and rules.