Interim report

Q2 2015

Stainless shines in New York skyline

Outokumpu delivers 400 tons of decorative stainless steel cladding for Three World Trade Center in New York, USA. The structurally textured surface creates a very specific, linen look. Already in 2012, Outokumpu delivered 150 tons of stainless for the construction of the skyscraper's podium. The tower, expected to be completed in 2016, will be a unique addition to the New York skyline.

Stainless steel is sustainable, durable and low-maintenance material which attracts increasing attention as a building material for exteriors. The Three World Trade Center project demonstrates the creative potential of stainless steel and emphasizes its artistic capabilities. Outokumpu offers a wide range of patterned surfaces in its Deco range. In the picture the One World Trade Center, New York, with 200 tons of Outokumpu Laser-finished cladding.

outokumpu
high performance stainless steel

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Underlying EBIT of EUR -25 million. Improvement in Coil EMEA not enough to cover losses in Coil Americas

Highlights in the second quarter 2015

Outokumpu's underlying EBIT was EUR -25 million compared to EUR 2 million in the first quarter of 2015. While European restructuring progressed and performance in Coil EMEA improved, a decline in financial performance was driven by low delivery volumes and weak performance in Coil Americas. Coil Americas' underlying EBIT loss increased to EUR 50 million. Operating cash flow was EUR -41 million.

- Stainless steel deliveries were 616,000 tonnes[1] (I 2015: 620,000 tonnes).
- Underlying EBITDA[2] was EUR 57 million (I 2015: EUR 77 million) and underlying EBIT[2] was EUR -25 million (I 2015: EUR 2 million). The decline was driven by weak performance in Coil Americas.
- EBIT was EUR -26 million (I 2015: EUR -10 million). The net effect of raw material-related inventory and metal derivative gains/losses was EUR -1 million (I 2015: EUR 7 million). There were no non-recurring items in the second quarter (I 2015 EUR -19 million).
- Operating cash flow was EUR -41 million (I 2015: EUR -62 million).
- Net debt increased to EUR 2,116 million (March 31, 2015: EUR 2,034 million) and gearing was 96.4% (March 31, 2015: 91.5%).

1) Metric ton = 1,000 kg
2) EBIT/EBITDA excluding non-recurring items, raw material-related inventory gains/losses and metal derivative gains/losses

Group key figures

		II/15	I/15	II/14	2014
Sales	EUR million	1,694	1,768	1,753	6,844
EBITDA	EUR million	55	65	70	104
EBITDA excl. non-recurring items	EUR million	55	83	78	263
Underlying EBITDA [1)]	EUR million	57	77	75	232
EBIT	EUR million	-26	-10	-10	-243
EBIT excl. non-recurring items	EUR million	-26	8	-3	-57
Underlying EBIT [2)]	EUR million	-25	2	-6	-88
Result before taxes	EUR million	-65	-46	-48	-459
Net result for the period	EUR million	-62	-45	-49	-439
Earnings per share [3)]	EUR	-0.14	-0.10	-0.14	-1.24
Return on capital employed	%	-2.5	-1.0	-1.0	-5.8
Net cash generated from operating activities	EUR million	-41	-62	-257	-126
Net debt at the end of period	EUR million	2,116	2,034	2,068	1,974
Debt-to-equity ratio at the end of period	%	96.4	91.5	92.5	92.6
Capital expenditure	EUR million	35	26	33	127
Stainless steel deliveries [4)]	1,000 tonnes	616	620	675	2,554
Stainless steel base price [5)]	EUR/tonne	1,057	1,050	1,093	1,082
Personnel at the end of period, excluding summer trainees [6)]		11,665	11,824	12,365	12,125

[1)] EBITDA excluding non-recurring items, other than impairments; raw material-related inventory gains/losses and metal derivative gains/losses, unaudited.

[2)] EBIT excluding non-recurring items, raw material-related inventory gains/losses and metal derivative gains/losses, unaudited.

[3)] 2014 figures calculated based on the rights-issue-adjusted weighted average number of shares.

[4)] Excludes ferrochrome deliveries.

[5)] Stainless steel: CRU - German base price (2 mm cold rolled 304 sheet).

[6)] On June 30, 2015 Group employed in addition some 800 summer trainees (June 30, 2014: some 800).

Business and financial outlook for the third quarter of 2015

Outokumpu estimates stainless steel end-user demand to remain relatively healthy in the third quarter. However, the European markets will be seasonally slow during the summer months, and in Americas, the pressure from Asian imports continues and low nickel price puts constraints on distributor sector buying, pricing and rebound of the market. In APAC region stainless steel market remains difficult.

Outokumpu estimates somewhat lower delivery volumes quarter-on-quarter with seasonal decline in Europe and gradual increase in Americas. The Group's underlying EBIT for the third quarter is estimated to improve from the second quarter, but to remain negative mostly due to seasonal impacts. In addition to the ongoing savings programs, special measures are taken to improve profitability in Coil Americas. With current prices, the net impact of raw material-related inventory and metal derivative gains/losses on profitability is expected to be EUR 10-15 million negative.

Outokumpu's operating result may be impacted by non-recurring items associated with the ongoing restructuring programs. This outlook reflects the current scope of operations.

CEO Mika Seitovirta:

“As anticipated, headwinds in the United States continued to burden Outokumpu’s financial performance in the second quarter, and we reported an underlying EBIT loss of EUR 25 million for the Group. Operating cash flow was EUR -41 million and net debt rose to EUR 2.1 billion. The second quarter showed continued progress in Coil EMEA, but another disappointing period for Coil Americas. We are expecting our third-quarter underlying EBIT to improve compared to the second quarter but to remain negative, mainly due to seasonal effects.

The stainless steel market has reflected the economic and political turbulence, and for example nickel price has remained at very low levels. Despite this, demand in Europe has been relatively healthy and the biggest import pressure has eased off following the introduction of the antidumping measures. However, the base price increase has been very modest, and prices remain historically at a low level. The Asian import seems to have shifted to the US, where share of imports rose to 32.2% during April-May and imports from China alone were 13.3%.

Coil EMEA, our biggest business area, improved its financial performance in the second quarter and reported an underlying EBIT of EUR 42 million. The closure of Bochum melt shop in June marked an important milestone which enables significantly higher utilization of the melt shops in Tornio, Finland and Avesta, Sweden. Around EUR 20 million of savings from the closure will be visible already in the second half of 2015. The next steps will be the closure of Benrath, made possible by the investments in Krefeld. Furthermore, we will improve commercial efficiency in order to increase sales, as well as continue strict cost control.

In Americas, the underlying demand for stainless steel remains stable. However, distributors, our most important channel to the market, continue to have high inventories, and stainless steel price has deteriorated. Coil Americas suffered from weak order intake and low capacity utilization in Calvert, and the business area reported an underlying EBIT loss of EUR 50 million. In the market filled by imports and high inventories we have not been able to regain the ground we lost last year due to the technical difficulties. With the new leader in place, Coil Americas is now taking decisive measures to gain back market share, improve operational efficiency and streamline costs.

While Outokumpu losses have further reduced year on year, we cannot be satisfied with our progress in the past two quarters. In addition to the ongoing programs, we are taking a number of additional measures to turn us back to the right trajectory. The actions will address Coil Americas in particular, but will deliver overall cost savings and operational improvements across the company.”

Update on profitability improvement programs

Synergy savings

Synergy savings amounted to EUR 3 million in the second quarter, bringing the cumulative synergy savings to EUR 198 million since the beginning of 2013. Approximately 55% of the total savings have come from raw material and general procurement. The Krefeld melt shop closure at the end of 2013 and the headcount reductions have also contributed to the overall achievement. Outokumpu expects cumulative synergy savings to reach the target of EUR 200 million in 2015, with the majority of the total savings coming from production optimization.

P250 savings

The P250 program achieved additional savings of EUR 10 million in the second quarter, leading to total cumulative savings of EUR 235 million since the beginning of 2013. Savings were mainly driven by Coil EMEA and Coil Americas. The main drivers of the program are savings in procurement, IT and operational costs, as well as in general and administration costs including headcount reductions. Outokumpu estimates cumulative savings of over EUR 250 million in 2015 from the P250 program since the beginning of 2013.

EMEA restructuring savings

Savings from the EMEA restructuring will start to have an impact in the second half of 2015 with roughly EUR 20 million driven by the Bochum melt shop closure. The next steps will be the Benrath site closure in 2016 and the investment into ferritic stainless steel capacity in Krefeld by 2017. An additional EUR 60 million is expected for 2016 with the full cumulative savings of EUR 100 million by the end of 2017.

Cumulative savings from corporate programs

EUR million	2014	I/15	II/15	2015f	2016f	2017t
Total cumulative savings	385	420	**433**	470	530	550
of which: Synergies	185	195	**198**	200	200	200
of which: P250	200	225	**235**	250	250	250
of which: EMEA restructuring	-	-	-	20	80	100

f = forecast

t = target

Net working capital reduction

Outokumpu targets a EUR 400 million cash release from the net working capital reduction by the end of 2015 versus the 2012 level. During the second quarter, net working capital increased by EUR 28 million mainly as a result of decreased accounts payables. The total Inventory days, Outokumpu's key metric for inventory efficiency, went up from 97 to 102 days quarter-on-quarter.

Outokumpu continues its tight control over net working capital and inventories in line with the anticipated market demand. The key actions are active inventory, accounts receivable and accounts payable management.

Ongoing ramp-ups

Calvert

The technical ramp-up of the Calvert integrated stainless steel mill in Calvert, US was completed at the end of 2014. All production steps have been tested and capabilities proven for both austenitic and ferritic grades as well as widths ranging from 36 to 72 inches. The Calvert mill will be ramped up to full commercial capability by the end of 2017.

Production in both the melt shop and the cold rolling lines is showing good quality and has been running largely according to plan in the second quarter. The technical issues on the cold rolling lines during the second half of 2014 have been solved and all lines have been back in production since the beginning of this year. The lines are being continuously monitored and spare motors have been ordered to mitigate potential future risks. Low utilization during the first half of the year has helped to significantly reduce late order backlog and both delivery performance and yields are improving. Melt shop production is running at about 48,000 tonnes per month level with high scrap ratios. The current lead time from the Calvert mill is about three weeks.

Import penetration to the NAFTA stainless steel market continued to increase in April-May, reaching 29.2%. In the US, average import penetration in April-May climbed to 32.2% with Chinese imports alone being 13.3%.Together with continued elevated stock levels and low nickel price, demand from the distributor sector has continued to be weak with no immediate recovery in sight.

While the technical capability of the Calvert mill is proven, the commercial ramp-up curve is currently delayed by 12 months due to the difficult market situation, and weak order intake. Delivery volumes in the second half of 2015 are targeted to increase, but for the full year 2015 Coil Americas' delivery volume is expected to remain below the levels reached in 2014.

Degerfors

The project to bring the recently expanded capacity on stream in Degerfors continued according to plans. Delivery volumes from the Degerfors mill grew by 13.6% to about 25,000 tonnes in the second quarter of 2015 (I 2015: 22,000 tonnes). In 2015, volumes in Degerfors are estimated to reach about 95,000 tonnes compared to 75,000 tonnes in 2014.

The EUR 100 million investment project to expand capacity to 150,000 tonnes and to enhance the offering in tailored and standard quarto plate was completed in Degerfors, Sweden in 2014. The expanded capacity will be taken into use over the coming years.

Market development

Stainless steel demand

Global real demand for stainless steel products reached 9.7 million tonnes in the second quarter of 2015, up by 4.0% compared to the first quarter of 2015. Demand grew most rapidly in APAC at 5.1%, followed by EMEA at 3.4%. Demand in the Americas shrank by 1.8% quarter-on-quarter.

Market development of total stainless steel real demand

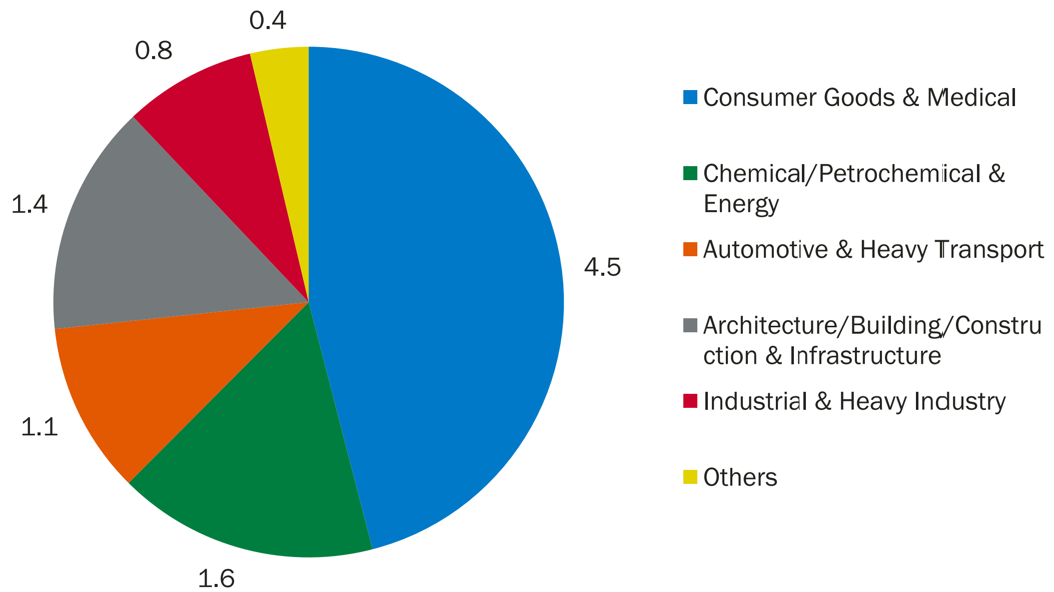
Million tonnes	II/15	I/15	II/14	2014	y-o-y	q-o-q
EMEA	1.9	1.9	1.9	7.2	0.9 %	3.4 %
Americas	0.9	0.9	0.9	3.7	0.0 %	-1.8 %
APAC	6.9	6.5	6.5	26.1	5.5 %	5.1 %
Total	9.7	9.4	9.4	37.0	4.0 %	4.0 %

Source: SMR July 2015

e = estimate

Demand in all end-use segments grew in the second quarter of 2015 versus the first quarter of 2015. Growth was most pronounced at 3.8% in the Industrial & Heavy Industries segment, followed by the Automotive & Heavy Transport and Chemical/Petrochemical & Energy segments at 2.3% and 2.0% respectively. Also the Architecture/Building/Construction & Infrastructure and Consumer Goods & Medical segments grew quarter-on-quarter at 1.7% and 1.2%, respectively.

Stainless steel demand by customer segments in the second quarter 2015, million tonnes



Source: SMR July 2015

Imports into the EU slowed down to 21.3% of total consumption in April-May of 2015 compared to an average level of 23.1% in the first quarter of 2015 and 30.6% for the full year 2014. The share of imports from China and Taiwan decreased further in April and May. The share of imports from South Korea came down also, after increasing in the first quarter. India, USA, South Africa, Vietnam, Thailand and Japan increased their monthly average volumes to the EU in April-May compared to the first quarter.

Average imports into the NAFTA region were up to 29.2% of the total consumption in April-May, after easing to 24.9% in the first quarter of 2015 from 25.6% in the fourth quarter of 2014. Import levels continued to rise in April and May in particular from Chinese producers, as they have sharply reduced their exports to Europe because of antidumping measures set by the European Commission. In the US, average import penetration in April-May climbed to 32.2% with Chinese imports alone being 13.3%. The surge in imports since 2014 has been largely driven by higher domestic prices compared to import prices, and the strong US dollar. Due to declining domestic US prices, the price difference has narrowed recently.

Stainless steel transaction prices

According to CRU, average transaction prices in the second quarter of 2015 for 2mm cold rolled 304 stainless steel sheet in all regions declined compared to the previous quarter. While average base prices increased slightly in Europe, average alloy surcharges decreased quarter-on-quarter. In the US, the 16.4% decrease in the alloy surcharge was the main price driver, and also the base price decreased somewhat during the second quarter. The Chinese transaction price declined by 8.7% quarter-on-quarter. Average transaction prices in the EU were 2.1% higher versus the second quarter a year ago, whereas the prices in the US and China were down 14.7% and 18.4%, respectively.

Price development of alloying metals

The nickel price[1)] staged some recovery from mid-April due to a weakening US dollar and renewed investor interest, but subsequently weakened due to soft demand from stainless steel sector, high LME stocks and worries over Chinese economy. Closing price of the quarter was 11,680 USD/tonne, the lowest value of the quarter. The average price in the quarter was 13,015 USD/tonne, 9.3% lower than 14,348 USD/tonne in the first quarter of 2015.

The European benchmark price[2)] for ferrochrome for the second quarter was rolled-over at 1.08 USD/lb from the first quarter. The benchmark price was also rolled-over for the third quarter at 1.08 USD/lb.

The average molybdenum price[3)] for the second quarter was 7.6 USD/lb, down by 10.6% from 8.5 USD/lb in the first quarter of 2015.

1) Nickel Cash LME Daily Official Settlement USD per tonne
2) Ferro-chrome Contract: Ferro-chrome Lumpy CR charge basis 52% Cr quarterly major European destinations USD per lb Cr
3) Metal Bulletin - Molybdenum Drummed molybdic oxide Free market $ per lb Mo in warehouse

Market prices

			II/15	I/15	II/14	2014	y-o-y	q-o-q
Stainless steel								
Europe	Base price	EUR/t	1,057	1,050	1,093	1,082	-3.4 %	0.6 %
	Alloy surcharge	EUR/t	1,290	1,314	1,206	1,241	7.0 %	-1.8 %
	Transaction price	EUR/t	2,347	2,364	2,299	2322	2.1 %	-0.7 %
USA	Base price	USD/t	1,396	1,411	1,396	1,396	0.0 %	-1.0 %
	Alloy surcharge	USD/t	1,301	1,555	1,765	1,738	-26.3 %	-16.4 %
	Transaction price	USD/t	2,697	2,966	3,161	3,135	-14.7 %	-9.1 %
China	Transaction price	USD/t	2,034	2,229	2,492	2,425	-18.4 %	-8.7 %
Nickel		USD/t	13,015	14,348	18,464	16,864	-29.5 %	-9.3 %
Ferrochrome (Cr-content)		USD/lb	1.08	1.08	1.22	1.19	-11.5 %	0.0 %
Molybdenum		USD/lb	7.60	8.50	13.70	11.45	-44.5 %	-10.6 %
Recycled steel		USD/t	253	254	346	333	-26.9 %	-0.4 %

Sources:

Stainless steel: CRU April 2015, 2mm cold rolled 304 stainless steel sheet

Nickel: London Metal Exchange (LME) settlement quotation

Ferrochrome: Metal Bulletin - Quarterly contract price, Ferrochrome lumpy chrome charge, basis 52% chrome

Molybdenum: Metal Bulletin - Molybdenum oxide - Europe

Recycled steel: Metal Bulletin - Ferrous Scrap Index HMS 1&2 (80:20 mix) fob Rotterdam

Business areas

Coil EMEA

The key focus of Coil EMEA is to maintain and expand Outokumpu's strong European stainless steel position through customer and product leadership. A clear target is to improve financial performance and to drive cost efficiency by increasing capacity utilization levels and by leveraging the company's own chrome mine and expanded ferrochrome production. The successful implementation of the industrial plan to restructure the company's European operations will be essential in returning the company to profitability.

Coil EMEA key figures

		II/15	I/15	II/14	I-II/15	I-II/14	2014
Stainless steel deliveries	1,000 tonnes	415	411	438	826	902	1,666
Sales	EUR million	1,090	1,127	1,161	2,217	2,331	4,520
EBIT	EUR million	56	48	7	104	-126	-86
EBIT excl. non-recurring items	EUR million	56	48	14	104	21	78
Underlying EBIT	EUR million	42	28	15	71	26	62
Operating capital	EUR million	2,362	2,364	2,575	2,362	2,575	2,405

Please see Business area key figure tables for additional information on page 36

Coil EMEA's stainless steel deliveries amounted to 415,000 tonnes, on par with the first-quarter total of 411,000 tonnes. While demand remained overall at healthy levels, Coil EMEA experienced minor production disturbances in the hot rolling mill in Tornio affecting the delivery performance of the finishing units. Import pressure from China and Taiwan continued to ease due to the antidumping measures set by the European Commission, but base price increases were marginal during the period due to the low nickel price. Coil EMEA's average base price for standard austenitic grades in the second quarter increased by about EUR 10/tonne and the benchmark market price for the standard 304 grade was only marginally up (CRU). Second-quarter sales amounted to EUR 1,090 million (I 2015: 1,127 million), down due to lower alloy surcharge.

Ferrochrome production in the second quarter amounted to 90,000 tonnes (I 2015: 118,000 tonnes), with volumes and profitability affected by the planned maintenance break during the quarter. The full-year production estimate is revised to about 460,000 tonnes from 470,000 tonnes.

Coil EMEA's second-quarter underlying EBIT amounted to EUR 42 million (I 2015: EUR 28 million). The improved performance was mainly due to continued traction from the savings programs as well as healthy utilization rates at the Tornio and Avesta melt shops. The net effect of raw material-related inventory and metal derivative gains/losses was EUR 14 million in the second quarter (I 2015: EUR 19 million).

In line with the company's restructuring program in Europe, the Bochum melt shop ramp-down was completed on June 23, 2015. The savings from the closure are estimated at about EUR 20 million during the second half of 2015 and a full benefit of over 30 million annually from 2016 onwards. These savings are part of the planned EMEA restructuring savings of EUR 100 million by the end of 2017. To date, Coil EMEA has reached savings of about EUR 137 million since 2012 from the ongoing programs. Additional savings of EUR 105 million are targeted until 2017 bringing the total savings to over EUR 240 million.

Coil Americas

Coil Americas' key target is to build a strong position in the Americas market by focusing on product quality, technical service and delivery reliability. Improvement in Coil Americas' financial performance is a priority and is driven by the ramp-up of the Calvert facility. Following the completion of the technical ramp-up at Calvert in 2014, the implementation of the full commercial ramp-up will continue by the end of 2017. In addition, Coil Americas focuses on ensuring the continued growth and performance improvements of the Mexican operations.

Coil Americas key figures

		II/15	I/15	II/14	I-II/15	I-II/14	2014
Deliveries	1,000 tonnes	**111**	126	143	**237**	278	541
Sales	EUR million	**255**	308	291	**563**	545	1,158
EBIT	EUR million	**-65**	-49	-17	**-114**	-53	-104
EBIT excl. non-recurring items	EUR million	**-65**	-30	-17	**-96**	-53	-82
Underlying EBIT	EUR million	**-50**	-28	-25	**-78**	-65	-93
Operating capital	EUR million	**1,289**	1,341	1,111	**1,289**	1,111	1,195

Please see Business area key figure tables for additional information on page 36

Coil Americas' operating environment continued to be difficult during the second quarter with weak demand from the distributor sector, high imports of over 29% in the NAFTA region in April-May and low nickel price. As expected, Coil Americas' deliveries were impacted by slow order intake, and deliveries for the quarter declined by 11.9% to 111,000 tonnes (I 2015: 126,000). In the US, alloy surcharge came down sharply by 16.4% and base prices were also under pressure. Compared to the previous quarter, Coil Americas' base prices in deliveries were down by 80 USD/tonne, and for the first half of 2015 the base price has dropped 120 USD/tonne since the end of 2014. Sales declined to EUR 255 million (I 2015: EUR 308 million) driven by low volumes and a strong decline in alloy surcharge.

Second-quarter underlying EBIT was EUR -50 million compared to EUR -28 million in the first quarter. The decline in financial performance was mostly driven by low volumes together with declining prices and increased operating costs due to low utilization rates. The decline was partly offset by implemented cost savings measures. There were no non-recurring items in the second quarter (I 2015: EUR 19 million). The net effect of raw material-related inventory and metal derivative gains/losses was EUR 15 million negative in the second quarter (I 2015: EUR -2 million) due to the raw-material related inventory losses caused by declined nickel prices. These negative impacts were partially offset by metal derivatives.

APAC

The APAC business area's key focus is to contribute to the growth of Outokumpu by establishing a profitable foothold in the Asia-Pacific region and to focus on selected customer and product segments in which the Outokumpu offering is differentiated from its competitors. The APAC business area operates the SKS cold rolling mill in Shanghai, China and service centers in China and Australia, as well as warehouses and sales offices in various Asian countries.

APAC key figures

		II/15	I/15	II/14	I-II/15	I-II/14	2014
Deliveries	1,000 tonnes	61	52	58	113	106	220
Sales	EUR million	129	112	118	241	206	444
EBIT	EUR million	-5	-2	1	-8	-5	-6
EBIT excl. non-recurring items	EUR million	-5	-2	1	-8	-5	-6
Underlying EBIT	EUR million	-4	-2	1	-6	-5	-6
Operating capital	EUR million	183	202	183	183	183	184

Please see Business area key figure tables for additional information on page 36

The stainless steel market continued to be weak in the APAC region during the second quarter in line with slowing GDP growth in China. Stainless steel prices continued to decrease in China driven by nickel price decline and this is further excarbated by the new capacity brought on stream in the region.

APAC's deliveries picked up from the seasonally slow first quarter and were 61,000 tonnes in the second quarter of 2015 (I 2015: 52,000 tonnes). The underlying EBIT was -4 million (I 2015: EUR -2 million) as higher volumes, which were mostly trader business, were not enough to compensate for lower prices.

Quarto Plate

The Quarto Plate business area is a global leader in tailored quarto plate material, with key operations in Degerfors in Sweden and in New Castle in the US. Both mills produce quarto plate in standard and special stainless steel grades for use in projects and by the process industry. Outokumpu also operates a European plate service center network that provides further services such as cutting to customer requirements. Quarto plate products are used in heavy industry and construction, and consumption is related to the global investment cycle.

A clear priority for the Quarto Plate business area is to ramp up the recent investment in Degerfors, and to leverage its position in both tailored and standard plate. Post-investment, cost reduction and efficiency improvement initiatives remain a focus to deliver a step change improvement in profitability.

Quarto Plate key figures

		II/15	I/15	II/14	I-II/15	I-II/14	2014
Deliveries	1,000 tonnes	31	26	25	57	49	98
Sales	EUR million	133	122	114	256	216	450
EBIT	EUR million	-2	0	-9	-2	-12	-26
EBIT excl. non-recurring items	EUR million	-2	0	-9	-2	-12	-26
Underlying EBIT	EUR million	-4	-0	-8	-4	-13	-30
Operating capital	EUR million	228	224	253	228	253	218

Please see Business area key figure tables for additional information on page 36

Due to a depressed investment climate and continued low nickel price, the operating environment for the quarto plate business continued to be weak in the second quarter with customers hesitant to place new orders. Pricing pressure for quarto plate products remained intense in both Europe and the US.

Second-quarter deliveries grew by 19.2% to 31,000 tonnes driven by increased volumes in Degerfors along with the ramp-up of the recent investment. Despite higher volumes and productivity improvements, the Quarto Plate business area's underlying EBIT was at loss of EUR -4 million (I 2015: EUR -0 million), mainly due to low margin product mix, price pressure and somewhat higher raw materials, transportation and hire work costs.

Long Products

The Long Products business area focuses on specialty stainless long products, with production operations in Sheffield in the UK and Degerfors in Sweden, as well as Richburg and Wildwood in the US. Long Products produces wire rod, rod coil, bar, rebar, billet and other long products that are used in a wide range of industries, such as transportation, consumer durables, metal processing, chemical, energy, and construction. Long Products' melt shop in Sheffield, UK has an important role in Outokumpu's production platform as it is one of the suppliers of feedstock to Outokumpu's Quarto Plate business, in addition to supplying the Long Products' downstream units and external customers.

Long Products key figures

		II/15	I/15	II/14	I-II/15	I-II/14	2014
Deliveries	1,000 tonnes	62	52	80	113	145	248
Sales	EUR million	159	149	203	309	352	651
EBIT	EUR million	5	4	14	9	14	33
EBIT excl. non-recurring items	EUR million	5	4	14	9	14	33
Underlying EBIT	EUR million	4	3	11	7	13	32
Operating capital	EUR million	163	174	153	163	153	167

Please see Business area key figure tables for additional information on page 36

Overall demand for long products continued to be weak in the second quarter, mostly driven by low nickel prices and subdued project activity. Prices continued to be under pressure in Europe, whilst US prices started to feel pressure after remaining stable earlier in the year. The sluggishness of the European market was impacted by the weakness of the euro and subdued demand from the oil & gas sector.

Long Products' total deliveries were 62,000 tonnes, up from 52,000 tonnes in the first quarter, mostly due to increased higher internal deliveries to Outokumpu's Quarto Plate business. Long Products' underlying EBIT was EUR 4 million (I 2015: EUR 3 million). The positive impact of higher volumes on financial performance remained small as most of the additional volume was internal slab deliveries with relatively low margins.

Financial performance

Deliveries

Outokumpu's second-quarter external stainless steel deliveries remained at a similar level as in the first quarter at 616,000 tonnes (I 2015: 620,000 tonnes). Deliveries remained stable in Coil EMEA, while in Coil Americas deliveries came down by 11.9%. Second-quarter deliveries were stronger in APAC, Quarto Plate and Long Products.

In the second quarter, Outokumpu's average utilization rate in melting was 80% and in cold rolling 75% (I 2015: 85% and 75%). Melt shops in Tornio and Avesta were running at above 90% rates whereas the utilization at the Bochum melt shop ahead of the closure at the end of June was low and the Calvert melt shop was affected by a slow market. Capacity utilization rates have improved as a result of the restructuring of the company's production set-up, reflecting for example the closure of the Krefeld and Bochum melt shops and the progress in the Calvert ramp-up. In 2013–2014, melting utilization increased from 65% to 80% and in cold rolling from 70% to 75%.

Deliveries

1,000 tonnes	II/15	I/15	II/14	I-II/15	I-II/14	2014
Cold rolled	449	458	489	907	976	1,880
White hot strip	88	93	107	182	210	373
Quarto plate	31	24	23	55	45	89
Long products	16	16	18	32	34	64
Semi-finished products	52	49	62	101	133	271
Stainless steel [1)]	29	27	37	56	83	138
Ferrochrome	23	22	25	45	51	133
Tubular products	3	2	2	5	4	9
Total deliveries	640	642	701	1,282	1,402	2,686
Stainless steel deliveries	616	620	675	1,237	1,352	2,554

[1)] Black hot band, slabs, billets and other stainless steel products

Sales and profitability

Outokumpu sales in the second quarter of 2015 declined by 4.2% to EUR 1,694 million (I 2015: EUR 1,768 million) driven by lower transaction prices.

Sales

EUR million	II/15	I/15	II/14	I-II/15	I-II/14	2014
Coil EMEA	1,090	1,127	1,161	2,217	2,331	4,520
Coil Americas	255	308	291	563	545	1,158
APAC	129	112	118	241	206	444
Quarto Plate	133	122	114	256	216	450
Long Products	159	149	203	309	352	651
Other operations	167	181	178	348	313	689
Intra-group sales	-241	-232	-311	-472	-591	-1,068
	1,694	1,768	1,753	3,462	3,371	6,844

For Outokumpu the second-quarter average base price in deliveries was relatively flat as higher base prices in Europe was eaten up by the declining base price in the US (I 2015: increase of EUR 10-20/tonne).

According to CRU, the European average base price[1] for the second quarter 2015 increased modestly to 1,057 EUR/tonne (I 2015: 1,050 EUR/tonne) remaining 3.3% below same period a year ago. In Americas, the market base price came down by USD 15/tonne and alloy surcharge by 16.4%.

Profitability

EUR million	II/15	I/15	II/14	I-II/15	I-II/14	2014
Underlying EBIT [1)]	-25	2	-6	-23	-51	-88
Adjustments to EBIT						
Non-recurring items in EBIT	-	-19	-7	-19	-147	-186
Net of raw material-related inventory and metal derivative gains/losses, unaudited	-1	7	3	5	-1	31
EBIT	-26	-10	-10	-36	-198	-243

1) EBIT excluding non-recurring items, raw material-related inventory gains/losses and metal derivative gains/losses, unaudited.

In line with management expectations, Outokumpu's financial performance declined in the second quarter, driven by weak performance in Coil Americas. No non-recurring items were booked (I 2015: EUR -19 million).

The net effect of raw material-related inventory and metal derivative gains/losses in the second quarter of 2015 was EUR -1 million (I 2015: EUR 7 million).

Non-recurring items in EBITDA and EBIT

EUR million	II/15	I/15	II/14	I-II/15	I-II/14	2014
EBITDA						
Redundancy provisions	-	-	-7	-	-95	-113
Environmental provisions related to site closures	-	-	-	-	-25	-25
Net costs related to technical issues in Calvert	-	-19	-	-19	-	-21
Non-recurring items in EBITDA	-	-19	-7	-19	-120	-159
of which in gross margin	-	-15	-7	-15	-119	-167
Additionally in EBIT						
Impairments related to EMEA restructuring	-	-	-	-	-27	-27
Non-recurring items in EBIT	-	-19	-7	-19	-147	-186

Underlying EBIT

EUR million	II/15	I/15	II/14	I-II/15	I-II/14	2014
Coil EMEA	42	28	15	71	26	62
Coil Americas	-50	-28	-25	-78	-65	-93
APAC	-4	-2	1	-6	-5	-6
Quarto Plate	-4	-0	-8	-4	-13	-30
Long Products	4	3	11	7	13	32
Other operations and intra-group items	-14	1	1	-12	-6	-52
	-25	2	-6	-23	-51	-88

[1] Global average base price for 2 mm cold rolled 304 stainless steel sheet

Outokumpu's underlying EBIT was EUR -25 million compared to EUR 2 million in the first quarter of 2015. While progress in European restructuring and performance in Coil EMEA continued steady, decline in financial performance was driven by low delivery volumes and weak performance in Coil Americas.

Corporate management costs under Other operations remained relatively stable during the second quarter. The change in underlying EBIT of EUR -14 million (I 2015: EUR 1 million) in Other operations was mainly due to intra-group items, such as differences in timing of internal and external metal derivative gains/losses between the quarters.

Financial expenses

Net financial income and expenses increased slightly to EUR -39 million (I 2015: EUR -38 million). Interest expenses were flat at EUR 32 million during the quarter. Likewise, market price gains/losses were around zero with minor quarter-on-quarter change.

Net result for the period

The net result for the second quarter of 2015 was EUR -62 million (I 2015: EUR -45 million). Earnings per share were EUR -0.14 (I 2015: EUR -0.10).

Cash flow

Outokumpu's operating cash flow was EUR -41 million in the second quarter (I 2015: EUR -62 million). The change in working capital for the second quarter was EUR -67 million (I 2015: EUR 14 million), of which EUR -39 million was related to provisions and pension obligations (I 2015: EUR -61 million). However, the negative working capital development was offset by derivatives cash flows that were only minor compared to the first quarter (I 2015: EUR -82 million).

Summary of cash flows

EUR million	April–June 2015	Jan–March 2015	April–June 2014	Jan–June 2015	Jan–June 2014	Jan–Dec 2014
Net result for the period	-62	-45	-58	-107	-306	-439
Non-cash adjustments	120	-4	106	116	333	471
Change in working capital	-67	14	-263	-53	-230	-50
Dividends received	0	-	0	0	3	3
Interests received	1	0	1	1	1	2
Interests paid	-33	-27	-42	-60	-71	-111
Income taxes paid	-1	-1	-0	-1	-1	-2
Net cash from operating activities	-41	-62	-257	-103	-271	-126
Purchases of assets	-36	-32	-37	-68	-70	-144
Other investing cash flow	2	1	-32	3	-41	-19
Net cash from investing activities	-34	-31	-69	-65	-111	-162
Cash flow before financing activities	-75	-93	-327	-168	-382	-289
Net cash from financing activities	-18	198	-396	179	-54	-116
Net change in cash and cash equivalents	-93	105	-722	11	-436	-404

Capital expenditure

Capital expenditure was kept at a low level during the second quarter and was at EUR 35 million (I 2015: EUR 26 million). Capital expenditure was mainly related to maintenance and smaller projects in Coil EMEA.

Balance sheet

Total assets at the end of June 2015 decreased to EUR 6,566 million (March 31, 2015: EUR 6,889 million). Non-current debt decreased to EUR 1,576 million compared to EUR 1,732 at the end of March, driven by repayment of a EUR 150 million bond. However, current debt increased as a result of the change in the commercial papers keeping the total debt level stable. Provisions decreased to EUR 134 million (March 31, 2015: EUR 166 million), which was mainly related to restructuring provisions.

Net debt at the end of June 2015 totaled EUR 2,116 million (March 31, 2015: EUR 2,034 million). Gearing increased to 96.4% compared to 91.5% as of March 31, 2015 due to negative cash flow before financing as well as negative impacts on equity from earnings and translation differences, which were partly offset by revaluation of the pension obligations.

Financing

Cash and cash equivalents were at EUR 207 million at the end of the second quarter of 2015 (March 31, 2015: EUR 298 million), and the overall liquidity reserves were approx. EUR 1.2 billion (March 31, 2015: approx. EUR 1.3 billion). Overall liquidity came down slightly due to negative cash flow.

Debt information

EUR million	June 30 2015	March 31 2015	June 30 2014	Dec 31 2014
Bonds	397	547	400	547
Convertible bonds	206	204	-	-
Non-current loans from financial institutions	764	769	1,095	856
Pension loans	206	206	209	192
Non-current finance lease liabilities	238	240	250	244
Other non-current loans	0	0	0	0
Current loans from financial institutions	88	95	92	83
Commercial paper	424	271	182	243
Other current loans	0	0	0	0
	2,323	2,332	2,229	2,165

People

Outokumpu's headcount decreased by 159 during the second quarter of 2015 and totaled 11,665 at the end of June 2015 (March 31, 2015: 11,824). The decrease in the number of employees was mainly related to the closure of the Bochum melt shop as well as other headcount reductions in Coil EMEA.

Overall, Outokumpu plans to reduce up to 3,500 jobs globally in 2013–2017, in connection with its efficiency improvement programs. The reductions are related to capacity reductions in Europe, as well as streamlining all overlapping activities in sales, production, supply chain and support functions. To date, Outokumpu has reduced about 1,660 jobs since the beginning of the programs.

Personnel at the end of the reporting period

	June 30 2015	March 31 2015	June 30 2014	Dec 31 2014
Coil EMEA	7,177	7,331	7,853	7,582
Coil Americas	2,149	2,133	2,113	2,128
APAC	577	589	612	602
Quarto Plate	792	793	758	838
Long Products	668	659	654	651
Other operations	302	319	375	324
	11,665	11,824	12,365	12,125

On June 30, 2015 Group employed in addition some 800 summer trainees (June 30, 2014: some 800).

The lost-time injury rate (lost-time accidents per million working hours) during the second quarter was 3.5 against the target of less than 2.5. The cumulative rate for the first six months of 2015 is at 3.1. There was one serious accident in the second quarter causing a fatality at the Mexinox mill. The accident is being investigated.

Market and business outlook

Market outlook

Global demand for stainless steel in the third quarter is expected to decrease by 0.4% quarter-on-quarter and to remain at about 9.7 million tonnes. Demand in EMEA is expected to decline seasonally by about 7.4% and in the Americas, demand is forecasted to grow by about 1.0%. In the APAC region, demand is estimated to grow 1.4%. Total global demand for 2015 is estimated at 38.5 million tonnes, up by 4.1% compared to 2014, driven by increases in APAC at 4.5%, EMEA at 3.6% and the Americas at 2.3%.

Market development for real demand total stainless steel products between 2013 and 2017

Million tonnes	2013	2014	2015f	2016f	2017f
EMEA	7.0	7.2	7.5	7.7	7.9
Americas	3.5	3.7	3.7	3.8	3.9
APAC	24.5	26.1	27.3	28.8	30.3
Total	35.0	37.0	38.5	40.3	42.1

Source: SMR July 2015

f = forecast

The long-term outlook for stainless steel demand remains positive. Key global megatrends such as urbanization, modernization, and increased mobility combined with growing global demand for energy, food, and water are expected to support the future growth of stainless steel demand. Growth in stainless steel consumption between 2015 and 2017 is expected be relatively well-balanced between the end-use segments. SMR forecast segment growth rates of 5.2% in Architecture/Building/Construction & Infrastructure, 4.7% in Consumer Goods & Medical, 4.3% in Chemical/Petrochemical & Energy, 4.2% in Industrial & Heavy Industries and 3.6% in Automotive & Heavy Transport respectively.

Business and financial outlook for the third quarter of 2015

Outokumpu estimates stainless steel end-user demand to remain relatively healthy in the third quarter. However, the European markets will be seasonally slow during the summer months, and in Americas, the pressure from Asian imports continues and low nickel price puts constraints on distributor sector buying, pricing and rebound of the market. In APAC region stainless steel market remains difficult.

Outokumpu estimates somewhat lower delivery volumes quarter-on-quarter with seasonal decline in Europe and gradual increase in Americas. The Group's underlying EBIT for the third quarter is estimated to improve from the second quarter, but to remain negative mostly due to seasonal impacts. In addition to the ongoing savings programs, special measures are taken to improve profitability in Coil Americas. With current prices, the net impact of raw material-related inventory and metal derivative gains/losses on profitability is expected to be EUR 10-15 million negative.

Outokumpu's operating result may be impacted by non-recurring items associated with the ongoing restructuring programs. This outlook reflects the current scope of operations.

Key targets updated

- A key for Coil Americas' profitability improvement will be the progress of the Calvert mill ramp-up into full commercial capability by the end of 2017. While the technical capability of the Calvert mill is proven, the commercial ramp-up curve is currently delayed by 12 months due to difficult market situation, and weak order intake. Delivery volumes in the second half of 2015 are targeted to increase, but for the full year 2015 Coil Americas' delivery volume is expected to remain below the levels reached in 2014.
- The closure of the Bochum melt shop at the end of June is estimated to yield savings of about EUR 20 million during the second half of 2015. Next milestones in the EMEA restructuring are the closure of the Benrath site in 2016 and the completion of the ferritics investment in Krefeld by 2017. All this will enable clear product and customer roles for each mill and capacity utilization rates of above 90% in melting and above 85% in cold rolling. To date Coil EMEA has reached savings of about EUR 137 million since 2012 from the ongoing programs. Additional savings of EUR 105 million are targeted until 2017 bringing the total savings to over EUR 240 million.
- Quarto Plate business area targets step change in profitability over the coming two years driven by the progress in the Degerfors investment ramp-up and streamlining of the cost structure. In 2015, volumes in Degerfors are estimated to grow to about 95,000 tonnes.
- Total targeted savings from Outokumpu's ongoing savings programs are EUR 470 million in 2015, EUR 530 million in 2016 and EUR 550 million in 2017 (all compared to 2012). Additional savings potential beyond this is being identified.
- Outokumpu targets release of cash from net working capital in 2015 with the P400 program (i.e. EUR 400 million cash release vs. 2012).
- Capital expenditure[1)] is expected to be about EUR 160 million in 2015 (2014: EUR 127 million). Outokumpu's well-invested asset base allows moderate capex levels in the coming years.
- Outokumpu targets to further reduce debt levels with the ambition of net debt below EUR 1.5 billion by the end of 2017.
- Financing cost for 2015 is estimated at EUR 160 million, out of which interest cost EUR 120 million.

1) Accounting capex

Risks and uncertainties

Outokumpu operates in accordance with the risk management policy approved by the Board of Directors that defines the objectives, approaches and areas of responsibility in risk management activities. In addition to supporting Outokumpu's strategy, the aim of risk management is identifying, evaluating and mitigating risks from the perspective of shareholders, customers, suppliers, personnel, creditors and other stakeholders. Key risks are assessed and updated on a regular basis. A detailed description of Outokumpu's risk management and risk profile can be found in the Annual Report for 2014, which is available at www.outokumpu.com.

Headwinds in the NAFTA market and slower than expected progress in the Calvert ramp-up has been high on the top management agenda during the recent months. A special task force was set up to address the issues, a new head for the Coil Americas business area was appointed and number of measures have been started to correct the course. This realized risk had a clear negative impact on Outokumpu's delivery volumes and profitability during the first half of the year.

There was a fatal accident at San Luis Potosí mill in Mexico in May. Thorough investigation of the accident is still ongoing. There were no other realized material operational risks in the second quarter.

The nickel price fluctuated during the second quarter and dropped down to levels below 12,000 USD/tonne in the end of June. Nickel hedging helped to mitigate part of the financial impacts of the price decline.

Short-term risks and uncertainties

Outokumpu is exposed to the following risks and uncertainties in the short-term: risks and uncertainties in implementing the industrial plan, including: major failures or delays in achieving the anticipated synergy benefits, reduction of costs and the release of cash from working capital and the implementation of the Coil EMEA restructuring actions; risks related to failures, delays in and inadequate profitability of ramping up the Calvert mill; risks and uncertainties related to major investment projects, including Outokumpu's indirect ownership in Fennovoima Oy; risks related to market development in stainless steel and ferrochrome as well as competitor actions; risk of changes in metal prices impacting amounts of cash tied in working capital; changes in the prices of electrical power, fuels, nickel and molybdenum; currency developments affecting the euro, US dollar, Swedish krona and British Pound; counterparty risk related to customers and other business partners, including financial institutions; risks related to refinancing and liquidity; risk of breaching financial covenants or other loan conditions leading to an event of default; and risk related to prices of equity and fixed income securities invested under defined benefit pension plans.

Possible adverse changes in the global political and economic environment, which can impact the stainless steel industry, may have significant adverse impacts on Outokumpu's business as well. The current financial crises and political instability in Greece has limited direct impacts on Outokumpu, however further escalation of the situation may have a negative impact on the European economy and financial markets in general, thus having increased relevance for Outokumpu as well.

Significant legal proceedings

There are no additions or changes in significant legal proceedings compared to the descriptions in the 2014 annual report. Please see Outokumpu's 2014 annual report for further details.

Environment

Emissions to air and discharges to water remained within permitted limits and these minor breaches that occurred were temporary, were identified and had only a minimal impact on the environment. Outokumpu is not a party in any significant juridical or administrative proceeding concerning environmental issues, nor is it aware of any realized environmental risks that could have a material adverse effect on its financial position.

The EU Emissions Trading Scheme (ETS) is continuing by the third trading period 2013–2020. Outokumpu's operations under the EU ETS will continue to receive free emissions allocations according to efficiency-based benchmarks and historical activity. The coming allocation is foreseen to be sufficient for the Group's operations during the 2015. During the second quarter, Outokumpu did not trade any emission allowances (EUA's).

Outokumpu published its sustainability report together with the 2014 annual report in March 2015. Both are available on www.outokumpu.com.

Share development and shareholders

Shareholders

%	June 30 2015	June 30 2014
Foreign investors	36.1	33.2
Finnish corporations	30.1	33.8
Finnish private households	18.0	17.4
Finnish public sector institutions	10.7	9.9
Finnish financial and insurance institutions	4.2	5.0
Finnish non-profit organizations	0.8	0.7
Shareholders with over 5% of shares and voting rights		
Solidium Oy (owned by the Finnish State)	26.2	29.9

Share information

		Jan–June 2015	Jan–June 2014
Fully paid share capital at the end of the period	EUR million	311.1	311.1
Average number of shares outstanding [1), 2)]		415,458,391	259,354,613
Number of shares at the end of the period [3)]		416,374,448	416,374,448
Number of shares outstanding at the end of the period [2), 3)]		415,489,308	415,426,724
Number of treasury shares held at the end of the period		885,140	947,724
Share price at the end of the period [1), 3)]	EUR	4.52	7.35
Average share price [1), 3)]	EUR	5.84	5.30
Highest price during the period [1), 3)]	EUR	7.76	7.50
Lowest price during the period [1), 3)]	EUR	4.27	3.37
Market capitalization at the end of period	EUR million	1,881	3,058
Share turnover [3), 4)]	million shares	637.3	250.5
Value of shares traded [4)]	EUR million	3,684.8	1,344.7

Source of share information: NASDAQ OMX Helsinki (only includes OMX Helsinki trading)

[1)] 2014 figures presented as rights-issue-adjusted.

[2)] The number of own shares repurchased is excluded.

[3)] 2014 figures adjusted to reflect the reverse split in June 2014.

[4)] 2014 figures include the effect of share subscription rights traded during March 10–19, 2014.

Outokumpu share price closed the quarter at EUR 4.52, down by 39.0% compared to the end of the first quarter. The share price averaged at EUR 5.67 in the second quarter. At its highest, the share price closed at EUR 7.60 while at its lowest, the price was EUR 4.52 during the quarter. Outokumpu's market capitalization decreased to EUR 1,881 million by the end of the second quarter (March 31, 2015: EUR 3,083 million). The share turnover was 277.4 million shares compared to 359.8 million shares in the first quarter.

Information regarding shares and shareholders is updated daily on Outokumpu's website at http://www.outokumpu.com/en/investors/share-info/Pages/default.aspx.

Corporate governance

Changes in leadership team

On June 16, 2015 Outokumpu announced the appointment of Michael Williams as the President and Head of Business Area Coil Americas and member of the Outokumpu Leadership Team as of July 1, 2015. Williams has over two decades of experience in the metals industry.

Annual General Meeting

The Annual General Meeting was held on March 26, 2015, in Espoo, Finland. The Meeting approved the financial statements and discharged the management of the company from liability for the financial year 2014. The Meeting decided that no dividend be paid for 2014 and approved the proposals regarding the authorization to the Board of Directors to repurchase the company's own shares and to decide on the issuance of shares as well as other special rights entitling to shares.

The number of Board members continues to be eight and the annual remuneration for the Board remains unchanged. Markus Akermann, Roberto Gualdoni, Stig Gustavson, Heikki Malinen, Elisabeth Nilsson, Jorma Ollila and Olli Vaartimo of the current members were re-elected to the Board and Saila Miettinen-Lähde was elected as new member for the term of office ending at the end of the next Annual General Meeting. Jorma Ollila was elected as the Chairman and Olli Vaartimo as the Vice Chairman of the Board of Directors.

All resolutions of the Annual General Meeting 2015 can be found on the company's website at www.outokumpu.com/en/Investors/General-meetings.

Espoo, July 22, 2015

Board of Directors

Condensed consolidated financial statements

Condensed income statement

EUR million	April–June 2015	Jan–March 2015	April–June 2014	Jan–June 2015	Jan–June 2014	Jan–Dec 2014
Continuing operations:						
Sales	1,694	1,768	1,753	3,462	3,371	6,844
Cost of sales	-1,635	-1,724	-1,665	-3,359	-3,343	-6,714
Gross margin	59	44	88	103	28	130
Other operating income	9	27	9	36	17	47
Costs and expenses	-92	-81	-83	-173	-176	-354
Other operating expenses	-2	-0	-24	-2	-67	-65
EBIT	-26	-10	-10	-36	-198	-243
Share of results in associated companies and joint ventures	0	2	4	2	8	7
Financial income and expenses						
Interest income	1	1	1	2	1	3
Interest expenses	-33	-32	-29	-64	-78	-141
Market price gains and losses	0	0	5	0	-4	-15
Other financial income	0	0	1	1	1	2
Other financial expenses	-8	-8	-19	-16	-40	-70
Result before taxes	-65	-46	-48	-111	-310	-459
Income taxes	3	2	-1	4	-6	8
Net result for the period from continuing operations	-62	-45	-49	-107	-316	-450
Net result for the period from discontinued operation	-	-	-9	-	11	11
Net result for the period	-62	-45	-58	-107	-306	-439
Attributable to:						
Equity holders of the Company	-60	-43	-58	-103	-304	-434
Non-controlling interests	-3	-2	-0	-4	-3	-5
Earnings per share for result attributable to the equity holders of the Company (basic and diluted), EUR [1)]:						
Earnings per share, continuing operations	-	-	-0.12	-	-1.11	-1.27
Earnings per share, discontinued operation	-	-	-0.02	-	0.04	0.03
Earnings per share	-0.14	-0.10	-0.14	-0.25	-1.07	-1.24

[1)] 2014 figures calculated based on the rights-issue-adjusted weighted average number of shares and adjusted to reflect the reverse split on June 20, 2014.

Statement of comprehensive income

EUR million	April–June 2015	Jan–March 2015	April–June 2014	Jan–June 2015	Jan–June 2014	Jan–Dec 2014
Net result for the period	-62	-45	-58	-107	-306	-439
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations	-28	110	18	82	27	71
Available-for-sale financial assets						
Fair value changes during the period	0	-0	-0	0	0	3
Reclassification adjustments from other comprehensive income to profit or loss	-	-	3	-	3	3
Income tax relating to available-for-sale financial assets	-0	0	-1	-0	-1	-1
Cash flow hedges						
Fair value changes during the period	2	1	-1	3	-0	-11
Reclassification adjustments from other comprehensive income to profit or loss	-0	0	-2	-0	-1	-2
Income tax relating to cash flow hedges	-0	-0	1	-1	2	3
Net investment hedges						
Income tax relating to net investment hedges	-	-	-	-	-	-
Share of other comprehensive income in associated companies and joint ventures	0	0	0	0	1	-0
Items that will not be reclassified to profit or loss:						
Remeasurements on defined benefit obligation plans						
Changes during the accounting period	58	-18	-9	39	-21	-14
Income tax relating to remeasurements	1	-1	0	0	1	-12
Share of other comprehensive income in associated companies and joint ventures	0	-1	-	-1	-	1
Other comprehensive income for the period, net of tax	32	90	10	123	11	41
Total comprehensive income for the period	-30	46	-48	16	-295	-398
Attributable to:						
Equity holders of the Company	-29	48	-48	19	-293	-394
Non-controlling interests	-1	-2	-0	-3	-2	-4

Condensed statement of financial position

EUR million	June 30 2015	March 31 2015	June 30 2014	Dec 31 2014
ASSETS				
Non-current assets				
Intangible assets	572	576	565	567
Property, plant and equipment	3,138	3,237	3,105	3,138
Investments in associated companies and joint ventures	81	79	71	78
Other financial assets	35	28	25	29
Deferred tax assets	62	53	36	44
Defined benefit plan assets	40	39	4	36
Trade and other receivables	17	15	14	12
Total non-current assets	3,945	4,026	3,821	3,904
Current assets				
Inventories	1,552	1,628	1,662	1,527
Other financial assets	64	84	38	40
Trade and other receivables	798	853	960	749
Cash and cash equivalents	207	298	161	191
Total current assets	2,621	2,863	2,821	2,507
TOTAL ASSETS	6,566	6,889	6,642	6,411
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the equity holders of the Company	2,197	2,225	2,234	2,132
Non-controlling interests	-3	-2	2	0
Total equity	2,195	2,223	2,236	2,132
Non-current liabilities				
Non-current debt	1,576	1,732	1,627	1,597
Other financial liabilities	12	16	16	18
Deferred tax liabilities	39	36	38	31
Defined benefit and other long-term employee benefit obligations	332	392	338	372
Provisions	113	140	208	198
Trade and other payables	47	47	48	47
Total non-current liabilities	2,119	2,364	2,275	2,262
Current liabilities				
Current debt	747	600	602	569
Other financial liabilities	64	117	29	87
Provisions	21	26	35	26
Trade and other payables	1,420	1,559	1,464	1,335
Total current liabilities	2,252	2,303	2,131	2,016
TOTAL EQUITY AND LIABILITIES	6,566	6,889	6,642	6,411

Condensed statement of cash flows

EUR million	April–June 2015	Jan–March 2015	April–June 2014	Jan–June 2015	Jan–June 2014	Jan–Dec 2014
Net result for the period	-62	-45	-58	-107	-306	-439
Adjustments						
Depreciation, amortization and impairments	82	75	84	157	194	351
Other non-cash adjustments	38	-79	22	-40	138	120
Change in working capital	-67	14	-263	-53	-230	-50
Dividends received	0	-	0	0	3	3
Interests received	1	0	1	1	1	2
Interests paid	-33	-27	-42	-60	-71	-111
Income taxes paid	-1	-1	-0	-1	-1	-2
Net cash from operating activities	-41	-62	-257	-103	-271	-126
Purchases of assets	-36	-32	-37	-68	-70	-144
Proceeds from the disposal of subsidiaries, net of cash	-	-	-41	-	-50	-50
Proceeds from the sale of assets	0	1	8	1	9	30
Other investing cash flow	2	0	1	2	0	1
Net cash from investing activities	-34	-31	-69	-65	-111	-162
Cash flow before financing activities	-75	-93	-327	-168	-382	-289
Rights issue	-	-	-	-	640	640
Borrowings of non-current debt	6	309	3	315	753	1,022
Repayment of non-current debt	-158	-150	-402	-308	-1,121	-1,505
Change in current debt	134	38	1	172	-325	-277
Other financing cash flow	0	0	2	0	-2	3
Net cash from financing activities	-18	198	-396	179	-54	-116
Net change in cash and cash equivalents	-93	105	-722	11	-436	-404
Cash and cash equivalents at the beginning of the period	298	191	880	191	607	607
Foreign exchange rate effect	2	2	3	4	2	0
Discontinued operations net change in cash effect	-	-	-	-	-12	-12
Net change in cash and cash equivalents	-93	105	-722	11	-436	-404
Cash and cash equivalents at the end of the period	207	298	161	207	161	191

2014 cash flows are presented for continuing operations.

Statement of changes in equity

EUR million	Share capital	Premium fund	Invested unrestricted equity reserve	Other reserves	Fair value reserves	Cumulative translation differences	Remeasurements of defined benefit plans	Treasury shares	Retained earnings	Non-controlling interests	Total equity
	Attributable to the owners of the parent										
Equity on Jan 1, 2014	**311**	**714**	**1,462**	**7**	**9**	**-119**	**-65**	**-24**	**-410**	**4**	**1,891**
Net result for the period	-	-	-	-	-	-	-	-	-304	-3	-306
Other comprehensive income	-	-	-	-	3	26	-19	-	1	0	11
Total comprehensive income for the period	-	-	-	-	3	26	-19	-	-303	-2	-295
Transactions with owners of the Company											
Contributions and distributions											
Rights issue	-	-	640	-	-	-	-	-	-	-	640
Share-based payments	-	-	-	-	-	-	-	1	-0	-	1
Changes in ownership interests											
Acquisition of a non-controlling interest	-	-	-	-	-	-	-	-	-0	-0	-1
Disposal of subsidiary	-	-	-	-1	-	-	4	-	-3	-0	-0
Other	-	-	-	-2	-	-	-	-	2	-	-
Equity on June 30, 2014	**311**	**714**	**2,102**	**5**	**13**	**-93**	**-80**	**-23**	**-714**	**2**	**2,236**
Equity on Jan 1, 2015	**311**	**714**	**2,103**	**5**	**5**	**-49**	**-89**	**-23**	**-846**	**0**	**2,132**
Net result for the period	-	-	-	-	-	-	-	-	-103	-4	-107
Other comprehensive income	-	-	-	-	2	81	39	-	-1	1	123
Total comprehensive income for the period	-	-	-	-	2	81	39	-	-103	-3	16
Transactions with owners of the Company											
Contributions and distributions											
Convertible bond	-	-	-	-	-	-	-	-	45	-	45
Share-based payments	-	-	-	-	-	-	-	2	-1	-	1
Equity on June 30, 2015	**311**	**714**	**2,103**	**5**	**6**	**32**	**-49**	**-21**	**-903**	**-3**	**2,195**

NOTES TO THE FINANCIAL STATEMENTS

Basis of preparation

This interim report is unaudited and it is prepared in accordance with IAS 34 (Interim Financial Reporting). The same accounting policies and methods of computation have been followed in this interim report as in the financial statements for 2014 except for the new and revised IFRS standards adopted from January 1, 2015 and the principles related to the convertible bonds issue in February 2015.

All presented figures in this interim report have been rounded and consequently, the sum of individual figures can deviate from the presented sum figure. Key figures have been calculated using exact figures.

The sales, profits and working capital of Outokumpu are subject to seasonal fluctuations as a result of industry demand, the number of working days, weather conditions and vacation periods. For example, production and shipment volumes with respect to stainless steel products are generally higher in the spring and fall seasons and generally lower in the winter and summer seasons. These seasonal fluctuations have a direct impact on the use of working capital and, therefore, also on net financial debt and cash flows of Outokumpu.

The following amendments to IFRS standards and interpretations were adopted from January 1, 2015:

- IFRIC 21 Levies: The interpretation clarifies the accounting treatment of levies. A liability for a levy is recognized when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation is applicable to all levies other than income taxes, fines, penalties and outflows that are in scope of other standards. The interpretation did not have a significant impact on Outokumpu's consolidated financial statements.

- Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions: The amendments clarify the accounting treatment under IAS 19 in respect of defined benefit plans that involve contributions from employees or third parties towards the cost of benefits. The amendments did not have an impact on Outokumpu's consolidated financial statements.

- Annual Improvements to IFRSs (2011–2013 cycle and 2010–2012 cycle): The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments covered in total four (2011–2013 cycle) and seven (2010–2012 cycle) standards. Their impacts varied standard by standard but were not significant.

The following accounting principles were applied related to the convertible bonds:

The Group classifies convertible bonds as compound instruments. The component parts of the bonds are classified separately as financial liabilities and equity in accordance with the substance of the arrangement.

The liability component is recognized initially at fair value of a similar liability. The equity component is recognized initially at the difference between the fair value of the bond as a whole and the fair value of the liability component. Transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Equity component's initial carrying amount less the transaction costs was EUR 45 million and liability component's EUR 203 million in the consolidated statement of financial position. No deferred tax was recognized on the components due to the Group's tax position.

Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest method. The equity component of the bond is not re-measured to initial recognition except on conversion or expiry.

When calculating diluted earnings per share for the period, the convertible bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect. However, potential ordinary shares are only dilutive if the adjustments decrease the earnings per share ratio.

See Issue of convertible bond for further information on the bonds.

Managements' judgment and the use of estimates

The preparation of the financial statements in accordance with IFRSs requires management to make judgments and make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and contingent liabilities at the reporting date, as well as the reported amounts of income and expenses during the reporting period. Accounting estimates are employed in the financial statements to determine reported amounts, including the realizability of certain assets, the useful lives of tangible and intangible assets, income taxes, inventories, provisions, defined benefit and other long-term employee benefit obligations, impairments and derivative instruments. These are those financial statement items that are mostly affected by management judgments made. The management estimates and judgments are continuously monitored and they are based on prior experience and other factors, such as future expectations assumed to be reasonable considering the circumstances. Although these estimates are based on management's best knowledge of the circumstances at the end of the reporting period, actual results may differ from the estimates and assumptions.

Share based payment plans

Outokumpu's share based payment programs include Performance Share Plan 2012 (Plans 2013–2015, 2014–2016 and 2015–2017) and Restricted Share Pool Program (Plans 2013–2015, 2014–2016 and 2015–2017).

The Performance Share Plan 2012–2014 ended and based on the achievement of the targets, the Board confirmed that the participants will receive 23.3% of the maximum number of shares as reward. After deductions for applicable taxes, altogether 48,234 shares will be delivered to 69 persons, subject to uninterrupted employment until the share delivery.

Regarding the Restricted Share Pool Program, plan 2012–2014, the Board of Directors approved that after deductions for applicable taxes in total 14,350 shares will be delivered to three participants based on the conditions of the plan.

Outokumpu uses its treasury shares for the reward payment, which means that the total number of shares of the company will not change.

In December 2014, the Board of Directors approved the commencement of the new plans (plan 2015–2017) regarding both Performance Share Plan 2012 and Restricted Share Pool Program 2012 as of the beginning of 2015. The maximum number of gross shares (taxes included) that can be allocated from the plans are 2,900,000 and 320,000, respectively. In total 143 persons participate in the 2015–2017 Performance share plan and its earnings criteria for the year 2015 are EBIT excluding non-recurring items and business cash flow, and return on capital employed (ROCE) ranking among peers in 2017.

The EBIT improvement criterion previously applied to the Performance share plans 2013–2015 and 2014–2016 was for the year 2015 replaced with the same EBIT excluding non-recurring items criterion as applied to the new plan 2015–2017. In addition, criterion on the return on capital employed in 2016 was added to the plan 2014–2016.

Detailed information of the share-based incentive programs can be found in Outokumpu's home page www.outokumpu.com.

Issue of convertible bond

In February 2015, Outokumpu issued senior unsecured convertible bonds due February 2020 convertible into ordinary shares in Outokumpu. The principal amount of the bonds was EUR 250 million. Following the issue of the convertible bonds, Outokumpu cancelled 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, with the first interest payment date being August 26, 2015. There will be a coupon step-up by 0.75 percentage points if Outokumpu's secured capital market indebtedness (excluding any existing secured notes indebtedness) exceeds EUR 250 million. The initial conversion price was at EUR 7.4268 and it will be subject to adjustments for any dividend as well as customary anti-dilution adjustments in accordance to the terms and conditions of the bonds. The bonds may be converted into maximum of 33,661,873 new ordinary shares in Outokumpu representing 8.1% of the outstanding shares prior to the issuance. The conversion period commenced April 8, 2015 and will end February 14, 2020.

Accounting principles related to the bond are explained under Basis of preparation.

Property, plant and equipment

EUR million	Jan–June 2015	Jan–June 2014	Jan–Dec 2014
Carrying value at the beginning of the period	3,138	3,254	3,254
Translation differences	106	-2	115
Additions	49	44	117
Disposals	-2	-6	-9
Reclassifications	-2	-1	-4
Depreciation and impairments	-151	-183	-333
Carrying value at the end of the period	3,138	3,105	3,138

Commitments

EUR million	June 30 2015	June 30 2014	Dec 31 2014
Mortgages and pledges			
Mortgages	3,691	3,538	3,593
Other pledges	-	5	-
Guarantees			
On behalf of subsidiaries for commercial commitments	31	28	27
On behalf of associated companies for financing	7	7	6
On behalf of other parties for financing	1	-	1
On behalf of other parties for commercial and other commitments	1	3	1
Other commitments	19	23	19
Minimum future lease payments on operating leases	60	67	63

Mortgages relate mainly to the refinancing measures which became effective on February 28, 2014. A major part of Outokumpu's borrowings are secured partly by security to the real property of the Group's main production plants and partly by share pledges over the shares in selected Group companies.

Certain guarantees issued by Outokumpu on behalf of the companies sold to ThyssenKrupp on February 28, 2014 have not yet been transferred to ThyssenKrupp as of June 30, 2015. These guarantees are presented as financing guarantees and commercial commitments on behalf of other parties.

Related to the Inoxum acquisition, one remaining guarantee issued by ThyssenKrupp on behalf of Inoxum companies has not yet been transferred to Outokumpu Oyj as of June 30, 2015. However, Outokumpu Oyj has given ThyssenKrupp a counter-guarantee for this commitment amounting to EUR 4 million.

Group's off-balance sheet investment commitments totaled EUR 83 million on June 30, 2015 (June 30, 2014: EUR 88 million, December 31, 2014: EUR 66 million).

Related party transactions

EUR million	Jan–June 2015	Jan–June 2014	Jan–Dec 2014
Transactions and balances with associated companies and joint ventures			
Sales	55	77	162
Purchases	-3	-3	-8
Trade and other receivables	40	51	41
Trade and other payables	1	1	1

In the first quarter of 2015 Outokumpu also sold property, plant and equipment with sales price of EUR 8 million to Manga LNG Oy, which is Outokumpu's associated company.

In 2014, the related party transactions included sales of EUR 56 million, purchases of EUR 20 million and interest expenses of EUR 10 million with ThyssenKrupp between January 1–February 28, 2014.

Fair values and nominal amounts of derivative instruments

EUR million	June 30 2015 Net fair value	Dec 31 2014 Net fair value	June 30 2015 Nominal amounts	Dec 31 2014 Nominal amounts
Currency and interest rate derivatives				
Currency forwards including embedded derivatives	-1	-34	2,229	1,778
Currency options, bought	0	0	2	16
Currency options, sold	-0	-	4	-
Interest rate swaps	-9	-11	572	606
Interest rate options, bought	0	0	43	143
Interest rate options, sold	-0	-1	43	43
			Tonnes	Tonnes
Metal derivatives				
Nickel options, bought	4	-	6,000	-
Forward and futures nickel contracts	12	4	46,728	51,094
Forward and futures molybdenum contracts	-5	-3	445	654
Emission allowance derivatives	1	1	1,900,000	1,900,000
Propane derivatives	-18	-22	99,500	89,000
			MMBtu	MMBtu
Natural gas derivatives	-1	-2	1,470,000	2,025,000
	-16	-68		

Hierarchy of financial assets and liabilities measured at fair value on June 30, 2015

EUR million	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets	1	3	2	5
Investment at fair value through profit or loss	4	-	1	5
Derivatives	-	59	-	59
	5	62	3	70
Liabilities				
Derivatives	-	76	-	76

Reconciliation of changes on level 3

EUR million	Available-for-sale financial assets	Investment at fair value through profit or loss
Carrying value on Jan 1, 2015	3	2
Fair value changes	-1	-1
Carrying balance on June 30, 2015	2	1

Available for sale financial assets at hierarchy level 3 relates to investments in energy producing companies. Valuation model of energy producing companies is based on discounted cash flow (model), which takes into account the future prices of electricity, discount rate, inflation rate, the estimated amount of electricity to be received and estimated production costs. The valuation is mainly driven by electricity price. +/- 10% change in electricity price leads to an increase of EUR 1 million or decrease of EUR 1 million in valuation.

The fair value of the non-current loan receivables is EUR 8 million (carrying amount EUR 8 million) and the fair value of long-term debt is EUR 1,582 million (carrying amount EUR 1,576 million). The fair value of the convertible bonds includes the value of the conversion rights. For other financial instruments the carrying amount is a reasonable approximation of fair value.

Key figures by quarters

EUR million	I/14	II/14	I–II/14	III/14	IV/14	2014	I/15	II/15	I–II/15
Non-recurring items									
Redundancy costs	-88	-7	-95	-12	-6	-113	-	-	-
Environmental provisions related to site closures	-25	-	-25	-	-	-25	-	-	-
Net costs related to technical issues in Calvert	-	-	-	-	-21	-21	-19	-	-19
Non-recurring items in EBITDA	-113	-7	-120	-12	-27	-159	-19	-	-19
of which in gross margin	-113	-7	-120	-9	-39	-167	-15	-	-15
Additionally in EBIT									
Impairments related to EMEA restructuring	-27	-	-27	-	-	-27	-	-	-
Non-recurring items in EBIT	-140	-7	-147	-12	-27	-186	-19	-	-19
EBIT margin, %	-11.6	-0.6	-5.9	-0.5	-2.2	-3.6	-0.6	-1.5	-1.1
Return on capital employed, %	-18.3	-1.0	-9.4	-0.8	-3.5	-5.8	-1.0	-2.5	-1.8
Return on equity, %	-47.5	-10.3	-29.7	-14.0	-10.4	-21.8	-8.7	-11.3	-9.9
Non-current debt	2,210	1,627	1,627	1,852	1,597	1,597	1,732	1,576	1,576
Current debt	404	602	602	616	569	569	600	747	747
Cash and cash equivalents	-880	-161	-161	-400	-191	-191	-298	-207	-207
Net debt at the end of period	1,733	2,068	2,068	2,068	1,974	1,974	2,034	2,116	2,116
Capital employed at the end of period	3,958	4,208	4,208	4,149	4,072	4,072	4,208	4,212	4,212
Equity-to-assets ratio at the end of period, %	32.8	33.7	33.7	31.6	33.3	33.3	32.3	33.5	33.5
Debt-to-equity ratio at the end of period, %	75.9	92.5	92.5	96.4	92.6	92.6	91.5	96.4	96.4
Net debt to EBITDA	n/a	33.1	33.1	10.8	7.5	7.5	6.5	7.3	7.3
Earnings per share, EUR [1] [2]	-1.66	-0.14	-1.07	-0.18	-0.13	-1.24	-0.10	-0.14	-0.25
Equity per share at the end of period, EUR [2]	5.49	5.38	5.38	5.16	5.13	5.13	5.35	5.29	5.29
Deliveries, 1,000 tonnes									
Cold rolled	487	489	976	479	425	1,880	458	449	907
White hot strip	103	107	210	85	78	373	93	88	182
Quarto plate	22	23	45	22	22	89	24	31	55
Long products	16	18	34	15	14	64	16	16	32
Semi-finished products	71	62	133	62	75	271	49	52	101
Stainless steel [3]	46	37	83	29	27	138	27	29	56
Ferrochrome	25	25	51	33	49	133	22	23	45
Tubular products	2	2	4	3	2	9	2	3	5
Total deliveries	701	701	1,402	667	617	2,686	642	640	1,282
Stainless steel deliveries	676	675	1,352	634	568	2,554	620	616	1,237
Average personnel for the period [4]	12,443	12,833	12,638	12,700	12,184	12,540	11,927	12,172	12,049

[1] 2014 figures calculated based on the rights-issue-adjusted weighted average number of shares.

[2] Comparative figures adjusted to reflect the reverse split on June 20, 2014.

[3] Black hot band, slabs, billets and other stainless steel products.

[4] 2014 figures presented for continuing operations.

Business Area key figures by quarters

Stainless steel deliveries 1,000 tonnes	I/14	II/14	I–II/14	III/14	IV/14	2014	I/15	II/15	I–II/15
Coil EMEA total	464	438	902	395	369	1,666	411	415	826
of which intra-group	36	31	66	18	38	124	30	39	70
Coil Americas total	135	143	278	137	126	541	126	111	237
of which intra-group	3	3	6	1	1	8	-	-	-
APAC total	48	58	106	60	54	220	52	61	113
of which intra-group	-	-	-	-	-	-	-	-	-
Quarto Plate total	24	25	49	24	24	98	26	31	57
of which intra-group	1	1	2	1	1	3	1	1	2
Long Products total	65	80	145	60	43	248	52	62	113
of which intra-group	20	34	54	22	8	84	16	22	38
Group total deliveries	676	675	1,352	634	568	2,554	620	616	1,237

Sales EUR million	I/14	II/14	I–II/14	III/14	IV/14	2014	I/15	II/15	I–II/15
Coil EMEA total	1,169	1,161	2,331	1,134	1,055	4,520	1,127	1,090	2,217
of which intra-group	149	127	276	107	104	488	93	97	190
Coil Americas total	254	291	545	316	297	1,158	308	255	563
of which intra-group	3	12	15	7	5	27	8	4	12
APAC total	88	118	206	124	114	444	112	129	241
of which intra-group	2	2	4	3	3	10	3	3	6
Quarto Plate total	102	114	216	113	120	450	122	133	256
of which intra-group	12	17	28	16	19	63	17	18	35
Long Products total	149	203	352	171	129	651	149	159	309
of which intra-group	41	77	118	51	19	188	36	46	83
Other operations total	135	178	313	193	184	689	181	167	348
of which intra-group	73	77	150	68	74	292	75	71	146
Group total sales	1,617	1,753	3,371	1,799	1,674	6,844	1,768	1,694	3,462

EBIT

EUR million	I/14	II/14	I–II/14	III/14	IV/14	2014	I/15	II/15	I–II/15
Coil EMEA	-134	7	-126	27	13	-86	48	56	104
Coil Americas	-36	-17	-53	-29	-22	-104	-49	-65	-114
APAC	-5	1	-5	-2	1	-6	-2	-5	-8
Quarto Plate	-2	-9	-12	-5	-9	-26	0	-2	-2
Long Products	0	14	14	8	11	33	4	5	9
Other operations and intra-group items	-11	-6	-16	-9	-30	-55	-11	-15	-26
Group total EBIT	-188	-10	-198	-9	-36	-243	-10	-26	-36

EBIT excl. non-recurring items

EUR million	I/14	II/14	I–II/14	III/14	IV/14	2014	I/15	II/15	I–II/15
Coil EMEA	6	14	21	38	19	78	48	56	104
Coil Americas	-36	-17	-53	-29	-0	-82	-30	-65	-96
APAC	-5	1	-5	-2	1	-6	-2	-5	-8
Quarto Plate	-2	-9	-12	-5	-9	-26	0	-2	-2
Long Products	0	14	14	8	11	33	4	5	9
Other operations and intra-group items	-11	-6	-16	-8	-30	-54	-11	-15	-26
Group total EBIT excl. non-recurring items	-48	-3	-51	3	-9	-57	8	-26	-18

Underlying EBIT

EUR million	I/14	II/14	I–II/14	III/14	IV/14	2014	I/15	II/15	I–II/15
Coil EMEA	10	15	26	15	21	62	28	42	71
Coil Americas	-40	-25	-65	-33	6	-93	-28	-50	-78
APAC	-5	1	-5	-2	0	-6	-2	-4	-6
Quarto Plate	-4	-8	-13	-11	-6	-30	-0	-4	-4
Long Products	2	11	13	6	12	32	3	4	7
Other operations and intra-group items	-8	1	-6	-4	-42	-52	1	-14	-12
Group total underlying EBIT	-45	-6	-51	-28	-9	-88	2	-25	-23

Non-recurring items in EBIT

EUR million	I/14	II/14	I–II/14	III/14	IV/14	2014	I/15	II/15	I–II/15
Coil EMEA	-140	-7	-147	-11	-6	-164	-	-	-
Coil Americas	-	-	-	-	-21	-21	-19	-	-19
APAC	-	-	-	-	-	-	-	-	-
Quarto Plate	-	-	-	-	-	-	-	-	-
Long Products	-	-	-	-	-	-	-	-	-
Other operations	-	-	-	-1	-0	-1	-	-	-
Group total non-recurring items in EBIT	-140	-7	-147	-12	-27	-186	-19	-	-19

EBITDA

EUR million	I/14	II/14	I–II/14	III/14	IV/14	2014	I/15	II/15	I–II/15
Coil EMEA	-54	58	5	74	63	142	95	104	198
Coil Americas	-19	1	-18	-12	-2	-33	-28	-44	-72
APAC	-2	4	2	2	4	8	2	-1	0
Quarto Plate	2	-5	-2	-1	-4	-7	5	3	8
Long Products	2	16	18	10	12	40	5	8	13
Other operations and intra-group items	-8	-3	-12	-6	-27	-45	-15	-14	-28
Group total EBITDA	-78	70	-8	67	45	104	65	55	120

EBITDA excl. non-recurring items

EUR million	I/14	II/14	I–II/14	III/14	IV/14	2014	I/15	II/15	I–II/15
Coil EMEA	59	66	124	85	68	278	95	104	198
Coil Americas	-19	1	-18	-12	19	-11	-9	-44	-53
APAC	-2	4	2	2	4	8	2	-1	0
Quarto Plate	2	-5	-2	-1	-4	-7	5	3	8
Long Products	2	16	18	10	12	40	5	8	13
Other operations and intra-group items	-8	-3	-12	-5	-27	-44	-15	-14	-28
Group total EBITDA excl. non-recurring items	34	78	112	79	73	263	83	55	139

Underlying EBITDA

EUR million	I/14	II/14	I–II/14	III/14	IV/14	2014	I/15	II/15	I–II/15
Coil EMEA	63	67	130	62	71	263	75	90	165
Coil Americas	-23	-7	-30	-16	25	-22	-7	-28	-36
APAC	-2	4	2	2	4	7	2	1	2
Quarto Plate	0	-4	-4	-6	-1	-11	5	1	6
Long Products	4	13	16	8	14	38	5	7	11
Other operations and intra-group items	-5	3	-2	-1	-40	-43	-3	-13	-15
Group total underlying EBITDA	37	75	112	48	72	232	77	57	133

Depreciation and amortization

EUR million	I/14	II/14	I–II/14	III/14	IV/14	2014	I/15	II/15	I–II/15
Coil EMEA	-53	-51	-104	-47	-49	-200	-47	-47	-94
Coil Americas	-17	-17	-35	-17	-19	-71	-21	-21	-43
APAC	-3	-3	-6	-3	-4	-14	-4	-4	-8
Quarto Plate	-5	-5	-9	-5	-5	-19	-5	-5	-10
Long Products	-2	-2	-4	-1	-2	-6	-2	-2	-4
Other operations	-2	-2	-5	-2	-2	-10	-1	-1	-3
Group total depreciation and amortization	-82	-80	-163	-76	-81	-320	-80	-81	-162

Capital expenditure

EUR million	I/14	II/14	I–II/14	III/14	IV/14	2014	I/15	II/15	I–II/15
Coil EMEA	9	19	28	18	22	67	19	16	34
Coil Americas	2	2	4	3	8	15	1	4	5
APAC	0	0	1	0	1	2	0	0	0
Quarto Plate	2	5	6	2	7	16	1	1	2
Long Products	1	2	3	2	2	6	1	0	1
Other operations	1	5	6	0	15	21	4	14	18
Group total capital expenditure	15	33	48	25	54	127	26	35	61

Operating capital

EUR million	I/14	II/14	I–II/14	III/14	IV/14	2014	I/15	II/15	I–II/15
Coil EMEA	2,492	2,575	2,575	2,535	2,405	2,405	2,364	2,362	2,362
Coil Americas	993	1,111	1,111	1,170	1,195	1,195	1,341	1,289	1,289
APAC	177	183	183	200	184	184	202	183	183
Quarto Plate	245	253	253	251	218	218	224	228	228
Long Products	126	153	153	151	167	167	174	163	163
Other operations and intra-group items	-72	-67	-67	-164	-110	-110	-113	-36	-36
Group total operating capital	3,961	4,209	4,209	4,142	4,059	4,059	4,192	4,189	4,189

Definitions of key financial figures

EBITDA = EBIT before depreciation, amortization and impairments

Capital employed = Total equity + net debt + net derivative liabilities + net accrued interest expenses – net assets held for sale – loans receivable – available-for-sale financial assets – investments at fair value through profit or loss – investments in associated companies and joint ventures

Operating capital = Capital employed + net deferred tax liability

Return on equity = $\frac{\text{Net result for the financial period}}{\text{Total equity (average for the period)}} \times 100$

Return on capital employed (ROCE) = $\frac{\text{EBIT}}{\text{Capital employed (average for the period)}} \times 100$

Net debt = Non-current debt + current debt – cash and cash equivalents

Equity-to-assets ratio = $\frac{\text{Total equity}}{\text{Total assets – advances received}} \times 100$

Debt-to-equity ratio = $\frac{\text{Net debt}}{\text{Total equity}} \times 100$

Net debt to EBITDA = $\frac{\text{Net debt}}{\text{Cumulative EBITDA excl. non-recurring items of previous four quarters}}$

Earnings per share = $\frac{\text{Net result for the financial period attributable to the owners of the parent}}{\text{Adjusted average number of shares during the period}}$

Equity per share = $\frac{\text{Equity attributable to the owners of the parent}}{\text{Adjusted number of shares at the end of the period}}$