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## **OUTOKUMPU – SHARE AWARDS AND EARNINGS CRITERIA OF SHARE-BASED PLANS**

Outokumpu's Board of Directors has approved the results of plan 2013–2015 of Performance Share Plan 2012 and the earnings criteria applied to plan 2016–2018. In addition, the Board of Directors has approved the share award to be paid based on plan 2013–2015 of the Restricted Share Pool program.

### **Performance Share Plan 2012, plan period 2013–2015**

Performance Share Plan 2012 is a share-based plan approved by the Board of Directors of Outokumpu on January 31, 2012. It is part of the remuneration and commitment program for the key management of Outokumpu Group. Performance Share Plan 2012 consists of annually commencing individual Plans. Each Plan contains a three-year earnings period after which the share rewards will be delivered to the participants if the earnings criteria are met.

The plan 2013–2015 has now ended and the Board has approved the results of the plan. The criteria set for the plan were Outokumpu share price at the end of 2015, EBITDA (earnings before interest, taxes, depreciation and amortization) for the year 2013, EBIT (earnings before interests and taxes) improvement for the year 2014, EBIT excluding non-recurring items for the year 2015 and achievement of Inoxum transaction related synergies. Based on the achievement of the targets, the Board confirmed that the participants will receive 65.1% of the target number of shares as reward.

After deductions for applicable taxes, altogether 182,593 shares will be delivered to 84 persons by the end of April 2016, subject to uninterrupted employment until the share delivery. Outokumpu will use its treasury shares for the reward payment, which means that the total number of shares of the company will not change.

### **Performance Share Plan 2012, plan period 2016–2018**

In December 2015, the Board of Directors confirmed the establishment of the fifth plan, plan 2016–2018, of the Performance Share plan 2012. The Board has now confirmed that the earnings criteria applied to the plan measure Outokumpu's profitability and the efficiency with which its capital is employed compared to a peer group and Outokumpu's gearing in 2018.

### **Restricted Share Pool, plan period 2013–2015**

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

The Board has approved that in total 7,426 shares will be delivered to two participants of plan 2013–2015 by the end of April 2016, subject to uninterrupted employment until the share delivery. Outokumpu will use its treasury shares for the reward payment, which means that the total number of shares of the company will not change.

### **Other terms**

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

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

For more information:

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### **Outokumpu Group**

**Outokumpu** is a global leader in stainless steel. We create advanced materials that are efficient, long lasting and recyclable – thus building a world that lasts forever. Stainless steel, invented a century ago, is an ideal material to create lasting solutions in demanding applications from cutlery to bridges, energy and medical equipment: it is 100% recyclable, corrosion-resistant, maintenance-free, durable and hygienic. Outokumpu employs 11,000 professionals in more than 30 countries, with headquarters in Espoo, Finland and shares listed in Nasdaq Helsinki.

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