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1 (17)

OUTOKUMPU – PUBLICATION OF LISTING PARTICULARS

Outokumpu Oyj announced earlier today on December 28, 2012 that it will issue 621 042 572 new shares in Outokumpu to ThyssenKrupp AG. This represents 29.9% of the outstanding shares of Outokumpu immediately following the completion of the directed share issue.

The Finnish Financial Supervisory Authority has today approved the Finnish language listing particulars related to the listing of 621 042 572 new shares on the official list of NASDAQ OMX Helsinki. The Finnish language listing particulars together with an unofficial English translation are available on Outokumpu's website www.outokumpu.com/investors as of today.

The listing particulars contain following previously unpublished information (terms used in this document are explained in detail in the listing particulars):

EUR 250 Million Forward Start Revolving Credit Facility

In December 2012, Outokumpu entered into a EUR 250 million FSF with Nordea to replace the remaining commitments under the EUR 400 million credit facility that Outokumpu signed in April 2012, which will mature in June 2013. The new facility will become available in June 2013 and will mature in January 2014. Amounts drawn under the facility will bear interest at a floating rate and the undrawn amount will be subject to a commitment fee. The facility agreement includes customary covenants, customary events of default and a customary change of control clause. It also includes a financial covenant based on net gearing (as defined in the agreement) that requires Outokumpu to maintain a level of net gearing that is equal to or lower than 115 percent before June 2013 and 95 percent thereafter. The FSF commitments shall be cancelled by each euro in excess of EUR 750 million raised in refinancing of EUR 750 million and EUR 400 million revolving credit facilities.

Loan Note

Pursuant to the Business Combination Agreement, the ThyssenKrupp Nederland B.V. and Outokumpu have entered into the Loan Note agreement on the Completion Date. The Loan Note is part of the consideration for the Inoxum Transaction and is contractually subordinated to certain specified current and future debt of Outokumpu in the event of an insolvency of Outokumpu. The principal amount of the Loan Note has been calculated based on an estimate of Inoxum's Intra-Group Financing Balance prepared by ThyssenKrupp in accordance with the Business Combination Agreement and consists of two tranches. The initial principal amount of Tranche A is approximately EUR 700 million, which will be adjusted following the Completion Date as described below, and the initial principal amount of Tranche B is EUR 550 million.

Within 15 business days after the Completion Date, ThyssenKrupp will submit its calculation of Inoxum's Final Intra-Group Financing Balance to Outokumpu. Outokumpu will then have 10 business days to object to ThyssenKrupp's calculation of Inoxum's Final Intra-Group Financing Balance. If Outokumpu does not object to ThyssenKrupp's calculation of Inoxum's Final Intra-Group Financing Balance within the provided timeframe, it will become final and the principal amount of Tranche A will be adjusted to reflect the difference between (i) Inoxum's estimated Intra-Group Financing Balance prepared by ThyssenKrupp prior to the Closing Date and (ii) Inoxum's Final Intra-Group Financing Balance. The parties have agreed to a mechanism to

resolve the dispute if Outokumpu objects to ThyssenKrupp's calculation of Inoxum's Final Intra-Group Financing Balance. Further, the principal amount of Tranche B will be adjusted to account for the financial impact of the disposal of the Divestment Assets (the difference between the fair market value and the sale price and the amount of lost synergies). The adjustment will be calculated in accordance with the terms of the Business Combination Agreement and cannot exceed EUR 200 million. Once the adjustment amount has been bindingly determined and, therefore, becomes due and payable, the adjustment will occur on January 31, 2014, or earlier if so requested by Outokumpu, and no interest will accrue on the adjustment amount from the time it becomes due and payable until the adjustment occurs.

Repayments of Tranche A will begin on the fourth anniversary of the Completion Date in accordance with an agreed repayment schedule. The Loan Note will finally mature on December 28, 2021 (i.e., on the ninth anniversary of the Completion Date). Interest accrues on the principal amount of the Loan Note at a rate of three-month Euribor plus a margin (which increases over time from 4.0 percent per annum to 9.5 percent per annum). Interest is payable every three months. Regarding Tranche A, Outokumpu has the option to capitalize up to 100 percent of the interest during the first 24 months and up to 50 percent for months 25 through 36. After month 36, Outokumpu will not have the option to capitalize interest on Tranche A. Regarding Tranche B, Outokumpu has the option to capitalize up to 100 percent of the interest during the first 60 months, but if Outokumpu capitalizes more than 50 percent of the interest for interest periods ending during months 25 through 36 or any interest for interest periods ending during months 37 through 60, it would have to pay a higher margin. After month 60, Outokumpu will not have the option to capitalize interest on Tranche B.

The Loan Note agreement contains a change of control clause that allows ThyssenKrupp (or any assignee or transferee of any amount outstanding under the Loan Note) to cancel their respective amount outstanding under the Loan Note, which would then become immediately due and payable upon a change of control (a party or group of parties acting in concert gains control (directly or indirectly) of either (i) at least 50 percent of the issued share capital or voting rights; or (ii) at least 30 percent of the issued share capital or voting rights and is required to make a mandatory takeover offer) of Outokumpu, except if ThyssenKrupp or an affiliate gains control of Outokumpu. Tranche A is subject to mandatory prepayment of 50 percent of the net proceeds from any disposal of assets outside of the ordinary course of business by any member of the Outokumpu group to the extent that the aggregate net proceeds from such disposals exceed EUR 400 million, subject to certain exceptions. Voluntary prepayments are permitted; however, Tranche B may be prepaid only after Tranche A has been discharged in full. The Loan Note contains a negative pledge in relation to Outokumpu, subject to certain customary exceptions. The Loan Note agreement contains certain customary representations, covenants and events of default.

TK Backup Facilities

Pursuant to the Business Combination Agreement, (i) ThyssenKrupp Nederland Holding B.V., as lender; Nirosta and VDM, as borrowers; and Outokumpu, as guarantor, have entered into the EUR 81,524,000 Supplier Finance Backup Facility agreement dated the Completion Date to provide financing following any specific shortfall in commitments made available to Nirosta's and VDM's suppliers by financial institutions under specified credit lines due to the relevant financial institution terminating or reducing the respective credit line or increasing the interest rate on the respective credit line above specified limits and (ii) ThyssenKrupp Nederland Holding B.V., as lender, and Outokumpu, as borrower, have entered into the EUR 250 million Revolving Backup Facility agreement, dated the Completion Date, to cover increased working capital requirements due to the Inoxum Transaction. Outokumpu guarantees the performance of Nirosta and VDM under the Supplier Finance Backup Facility.

The TK Backup Facilities agreements contain certain customary conditions for utilization and certain additional conditions specific to the Supplier Finance Backup Facility. Amounts drawn on the Supplier Finance Backup Facility are repayable one month from the utilization date and amounts drawn on the Revolving Backup Facility are repayable three months from the utilization date, but can be rolled over. Interest on amounts drawn under the TK Backup Facilities accrues at a rate of Euribor plus margin. The Supplier Finance Backup Facility agreement provides for mandatory prepayment and cancellation in case of certain disposals outside of the ordinary course of business by the Combined Group. The TK Backup Facilities agreements contains change of control clauses that allows any lender under the relevant facility to cancel their respective amount outstanding under the Loan Note, which amount would become immediately due and payable upon a change of control (a party or group of parties acting in concert gains control (directly or indirectly) of either (i) at least 50 percent of the issued share capital or voting rights; or (ii) at least 30 percent of the issued share capital or voting rights and is required to make a mandatory takeover offer) of Nirosta or VDM, including through a change in control of Outokumpu (in the case of the Supplier Finance Backup Facility), or Outokumpu (in the case of the Revolving Backup Facility), except if ThyssenKrupp or an affiliate gains control of Outokumpu). Voluntary prepayments and voluntary cancellations by Outokumpu are permitted pursuant to the terms of the TK Backup Facilities agreements.

The final maturity date of the Supplier Finance Backup Facility is the fifth anniversary of the Completion Date and the final maturity date of the Revolving Backup Facility is December 31, 2013. The borrowers under the TK Backup Facilities are able to draw on the respective TK Backup Facility from the Completion Date until three months prior to the respective final maturity date. Subject to certain limitations, promptly after becoming aware of a termination or reduction of a commitment that could be covered by the Supplier Finance Backup Facility, Nirosta, VDM and Outokumpu must use best efforts to secure a replacement or supplement for such terminated or reduced commitment. The TK Backup Facilities agreements also contain certain customary representations, covenants and events of default.

Outlook

In Outokumpu's interim report for the quarter ended September 30, 2012 it was stated that the outlook included in such interim report (including the profit forecast) applies only to Outokumpu and not to the Combined Group following the completion of the Inoxum Transaction. Outokumpu expects to update its outlook in connection with publishing its results for the quarter ending December 31, 2012. Due to the global economic uncertainty, the demand for stainless steel is expected to remain relatively weak during the fourth quarter of 2012.

Pro Forma Financial Information

The following tables present unaudited pro forma financial information giving effect to the Inoxum Transaction as if the Inoxum Transaction had been completed on:

- January 1, 2011 for the purposes of the unaudited pro forma statement of income and unaudited pro forma statement of comprehensive income for the 12 months ended December 31, 2011, and that of the unaudited pro forma interim statement of income and unaudited pro forma interim statement of comprehensive income for the nine months ended September 30, 2012; and
- September 30, 2012 for the purposes of the unaudited pro forma statement of financial position.

The unaudited pro forma financial information below was prepared on a basis consistent with IFRS as adopted by the EU, except for the Remedy Adjustments. The underlying remedy assets,

associated liabilities and related income and expenses are carved out from the unaudited pro forma financial information (*i.e.*, they are deducted from the corresponding items of the Combined Group in a separate column).

The unaudited pro forma financial information is based on the financial information derived from the following sources:

- The unaudited pro forma statement of financial position as at September 30, 2012 was based on and derived from (a) Outokumpu's unaudited consolidated statement of financial position as at September 30, 2012; (b) Inoxum's audited combined statement of financial position as at September 30, 2012; and (c) the internal IFRS reporting of the Divestment Assets of Outokumpu and Inoxum;
- The unaudited pro forma statement of income and unaudited pro forma statement of comprehensive income for the 12 months ended December 31, 2011 were based on and derived from (a) Outokumpu's audited consolidated statement of income and audited consolidated statement of comprehensive income for the year ended December 31, 2011; (b) Inoxum's audited combined statement of income and audited combined statement of comprehensive income for the fiscal year ended September 30, 2011 (excluding Inoxum's unaudited combined interim statement of income and unaudited combined interim statement of comprehensive income for the three months ended December 31, 2010 and including Inoxum's unaudited combined interim statement of income and unaudited combined interim statement of comprehensive income for the three months ended December 31, 2011); and (c) the internal IFRS reporting of the Divestment Assets of Outokumpu and Inoxum; and
- The unaudited pro forma interim statement of income and unaudited pro forma interim statement of comprehensive income for the nine months ended September 30, 2012 were based on and derived from (a) Outokumpu's unaudited consolidated interim statement of income and unaudited consolidated interim statement of comprehensive income for the nine months ended September 30, 2012; (b) Inoxum's audited combined statement of income and audited combined statement of comprehensive income for the fiscal year ended September 30, 2012 (excluding Inoxum's unaudited combined interim statement of income and unaudited combined interim statement of comprehensive income for the three months ended December 31, 2011); and (c) the internal IFRS reporting of the Divestment Assets of Outokumpu and Inoxum.

The unaudited pro forma financial information below was prepared in a manner consistent with the accounting principles applied in Outokumpu's audited consolidated financial statements as at and for the year ended December 31, 2011, except for the accounting policies related to post-employment benefit arrangements (pensions). Outokumpu applies the corridor method for the recognition of actuarial gains and losses arising from pension arrangements while Inoxum recognizes such gains and losses in other comprehensive income. Inoxum classifies interest expenses related to pension plans as well as the expected return on pension plan assets as financial expenses and financial income, respectively. Outokumpu treats these interest expenses and the expected return on plan assets as part of the employee benefit expenses. In preparation of the pro forma financial information the future accounting policy of Outokumpu has been applied which corresponds to Inoxum's current accounting policy and has been explained in more detail in Note 3.

The unaudited pro forma adjustments also give effect to events that are directly attributable to the Inoxum Transaction, and the proposed financing thereof. The unaudited pro forma statement of financial position presents the Inoxum Transaction as being accounted for under the acquisition method in accordance with "*IFRS 3 – Business Combinations.*" Under the

acquisition method, assets and liabilities are recorded at their fair values on the date of acquisition. The adjustments also include the Remedy Adjustments. The remedy adjustments include the following from the Divestment Assets: Outokumpu's stainless steel service center in Willich, Germany; Inoxum's AST S.p.A., Italy; Inoxum's Terninox stainless steel service center, Italy; and Inoxum's IT-service company Aspasiel S.r.l, Italy. Those assets that may be divested at the option of the purchaser of the Divestment Assets have not been included in the Impact of Remedy Adjustments, except for the warehouses in Padova, Ancona, Florence and Bologna, Italy that are legally a part of Terninox. The unaudited pro forma financial information below, including the provisional purchase price allocation, are mainly based on the carrying values since the fair values of the assets could not be determined reliably as at the date of this pro forma financial information. Therefore, the provisional purchase price allocation is hypothetical and the final purchase price allocation may significantly differ from the provisional purchase price allocation presented in this unaudited pro forma financial information.

The unaudited pro forma financial information below has been prepared for illustrative purposes and, because of their nature, addresses a hypothetical situation and therefore, do not represent Outokumpu's actual financial position or results of operations. The unaudited pro forma financial information does not purport to represent what Outokumpu's financial position and results would have been if the Inoxum Transaction had been completed on the dates indicated nor do they purport to represent Outokumpu's or the Combined Group's results of operations for any future period or financial position at any future date. The unaudited pro forma financial information does not reflect the effect of estimated synergies and efficiencies associated with the Inoxum Transaction.

Outokumpu will recognize the identifiable assets acquired and the liabilities assumed as of the Completion Date. The provisional amounts recognized at the Completion Date, based on the provisional purchase price allocation including the determination of fair values, may be adjusted within 12 months after the Completion Date, to reflect new information obtained about facts and circumstances that existed as at the Completion Date.

Unaudited Pro Forma Statement of Income

	Outokumpu, for the year ended December 31, 2011 ⁽¹⁾	Inoxum, for the 12 months ended December 31, 2011 ⁽²⁾	Differences in accounting policies ⁽³⁾	Differences in presen- tation ⁽⁴⁾	PPA adjustments ⁽⁵⁾	Impact of Remedy Adjust- ments ⁽⁶⁾	Impact of Loan Note ⁽⁷⁾	Reversal of Inoxum intra- group financing with Thyssen- Krupp ⁽⁸⁾	Pro forma Combined Group
	(audited)	(unaudited)							
	(EUR in millions)								
Sales	5,009	6,572	-	(17)	-	(1,917)	-	-	9,647
Cost of sales	(4,882)	(6,275)	-2	10	(3)	1,947	-	-	(9,201)
Gross margin	127	297	2	(7)	(3)	29	-	-	446
Other operating income	47	23	-	83	353	(9)	-	-	497
Selling and marketing expenses	(147)	(208)	4	(26)	-	68	-	-	(309)
Administrative expenses	(153)	(163)	3	-	1	25	-	-	(287)
Research and development expenses	(21)	-	-	(14)	-	3	-	-	(32)
Other operating expenses	(113)	(337)	-	(61)	(37)	27	-	-	(521)
Operating result	(260)	(388)	9	(25)	315	143	-	-	(207)
Share of results in associated companies	(5)	1	-	-	-	0	-	-	(4)
Financial income and expenses:									
Interest income	13	34	21	-	-	(13)	-	(21)	34
Interest expenses	(77)	(84)	(21)	-	(3)	18	(53)	54	(166)
Market price gains and losses	(120)	-	-	-	-	-	-	-	(120)
Other financial income	248	-	-	-	-	-	-	-	248
Other financial expenses	(52)	(23)	-	-	-	-	(9)	-	(84)
Total financial income and expenses	12	(73)	0	-	(3)	4	(62)	33	(89)
Profit before taxes	(253)	(460)	9	(25)	312	147	(62)	33	(299)
Income taxes	67	20	(2)	8	(30)	0	15	(10)	68
Net result for the period	(186)	(440)	7	(17)	282	147	(47)	23	(231)

Unaudited Pro Forma Statement of Comprehensive Income

	Outokumpu, for the year ended December 31, 2011 ⁽¹⁾	Inoxum, for the 12 months ended December 31, 2011 ⁽²⁾	Differences in accounting policies ⁽³⁾	Impact of Remedy Adjustments ⁽⁶⁾	Other pro forma adjustments to statement of income and statement of comprehensive income ⁽⁴⁾⁽⁵⁾⁽⁷⁾⁽⁸⁾	Pro forma Combined Group
	(audited)	(unaudited)				
	(EUR in millions)					
Net result for the period	(186)	(440)	7	147	241	(231)
Other comprehensive income:						
Exchange differences on translating foreign operations.....	12	(5)	-	-	-	7
Available-for-sale financial assets:						
Fair value changes during the period	(23)	-	-	-	-	(23)
Reclassification adjustments from other comprehensive income to profit or loss	(65)	-	-	-	-	(65)
Income tax relating to available-for-sale financial assets.....	11	-	-	-	-	11
Actuarial gains / (losses) from pensions and similar obligations:						
Change in actuarial gains / (losses), net	-	(1)	(5)	2	-	(4)
Income tax relating to actuarial gains / (losses).....	-	1	2	(1)	(1)	1
Cash flow hedges:						
Fair value changes during the period	(4)	(14)	-	-	-	(18)
Reclassification adjustments from other comprehensive income to profit or loss	1	3	-	-	-	4
Income tax relating to cash flow hedges.....	1	7	-	-	(7)	1
Share of other comprehensive income of associated companies	(2)	-	-	-	-	(2)
Other comprehensive income for the period, net of tax	<u>(68)</u>	<u>(9)</u>	<u>(3)</u>	<u>1</u>	<u>(8)</u>	<u>(88)</u>
Total comprehensive income for the period	<u>(255)</u>	<u>(449)</u>	<u>4</u>	<u>148</u>	<u>233</u>	<u>(319)</u>

Unaudited Pro Forma Statement of Financial Position

	Outokumpu, as at September 30, 2012 ⁽¹⁾	Inoxum, as at September 30, 2012 ⁽²⁾	Differences in accounting policies ⁽³⁾	Differences in presen- tation ⁽⁴⁾	PPA adjust- ments ⁽⁵⁾	Impact of Remedy Adjust- ments ⁽⁶⁾	Impact of Loan Note ⁽⁷⁾	Reversal of Inoxum Intra- group financing with Thyssen- Krupp ⁽⁸⁾	Impact of Placement ⁽⁹⁾	Pro forma Combined Group
	(unaudited)	(audited)								
	(EUR in millions)									
Assets										
Non-current assets:										
Intangible assets.....	531	68	-	-	(32)	(4)	-	-	-	563
Property, plant and equipment.....	2,135	2,445	-	-	62	(522)	-	-	-	4,120
Investment property.....	-	12	-	-	3	(15)	-	-	-	0
Investments in associated companies.....	40	18	-	-	-	(8)	-	-	-	50
Available-for-sale financial assets.....	20	2	-	-	-	-	-	-	-	22
Investments at fair value through profit or loss.....	2	-	-	-	-	-	-	-	-	2
Derivative financial instruments.....	6	-	-	-	-	(3)	-	-	-	3
Trade and other receivables, interest- bearing.....	163	-	-	-	-	-	-	-	-	163
Loan receivables and other interest-bearing assets.....	230	20	-	-	-	(11)	-	-	-	238
Trade and other receivables, non-interest- bearing.....	65	7	(56)	-	-	-	-	-	-	16
Deferred tax assets.....	78	186	33	-	(186)	-	-	-	-	111
Total non-current assets.....	3,039	2,737	(23)	-	(153)	(552)	-	-	-	5,048
Current assets:										
Inventories.....	1,103	1,677	-	-	-	(404)	-	-	-	2,375
Available-for-sale financial assets.....	6	-	-	-	-	-	-	-	-	6
Investments at fair value through profit or loss.....	88	-	-	-	-	-	-	-	-	88
Derivative financial instruments.....	32	52	-	-	-	-	-	-	-	84
Trade and other receivables, interest- bearing.....	8	-	-	-	-	-	-	-	-	8
Loans receivables.....	1	158	-	-	-	(12)	-	(91)	-	55
Loan receivables and other interest-bearing assets.....	134	210	-	-	-	(12)	-	(91)	-	242
Trade and other receivables, non-interest- bearing.....	636	688	-	-	-	(146)	-	-	-	1,177
Cash and cash equivalents.....	1,178	67	-	-	(1,000)	-	-	-	-	245
Total current assets.....	3,051	2,641	-	-	(1,000)	(562)	-	(91)	-	4,039
Net remedy assets.....	-	-	-	-	-	594	-	-	-	594
Total assets.....	6,090	5,378	(23)	-	(1,153)	(520)	-	(91)	-	9,681
Equity and liabilities										
Equity attributable to the equity holders of the Company:										
Share capital.....	311	-	-	-	-	-	-	-	-	311
Premium fund.....	714	-	-	-	-	-	-	-	-	714
Share issue.....	973	-	-	-	-	-	-	-	460	1,433
Other reserves.....	50	-	-	-	-	-	-	-	-	50
Retained earnings.....	1,022	-	(85)	-	-	-	-	-	-	937
Result for the period.....	(226)	-	-	-	-	-	-	-	-	(226)
Equity of Inoxum.....	-	134	-	-	219	0	-	-	-	353
Equity attributable to the equity holders of the Company.....	2,843	134	(85)	-	219	0	-	-	460	3,572
Non-controlling Interests.....	17	13	-	-	-	-	-	-	-	30
Total equity.....	2,860	147	(85)	-	219	0	-	-	460	3,601
Non-current liabilities:										
Long-term debt.....	1,574	47	-	-	62	(10)	876	-	-	2,549
Derivative financial instruments.....	39	-	-	-	-	-	-	-	-	39
Deferred tax liabilities.....	8	90	(1)	-	3	(1)	-	-	-	100
Defined benefit and other long-term employee benefit obligations.....	63	338	63	-	-	(38)	-	-	-	426
Provisions.....	18	135	-	-	-	(5)	-	-	-	148
Trade and other payables.....	6	1	-	-	-	(1)	-	-	-	6
Total non-current liabilities.....	1,706	611	62	-	65	(54)	876	-	-	3,265
Current liabilities:										
Current debt.....	649	3,041	-	-	1	(3)	-	(2,888)	-	799
Derivative financial instruments.....	12	35	-	-	-	-	-	-	-	47
Trade and other payables, interest-bearing.....	10	-	-	-	23	-	-	-	-	33
Provisions.....	16	65	-	(5)	-	(13)	-	-	-	64
Income tax liabilities.....	0	6	-	-	-	33	-	-	-	39
Trade and other payables, non interest-bearing.....	836	1,473	-	5	-	(481)	-	-	-	1,832
Total current liabilities.....	1,524	4,620	-	0	24	(464)	-	(2,888)	-	2,816
Total equity and liabilities.....	6,090	5,378	(23)	0	308	(519)	876	(2,888)	460	9,681

- (1) This column reflects Outokumpu's audited consolidated statement of income and audited consolidated statement of comprehensive income for the year ended December 31, 2011 and Outokumpu's unaudited consolidated statement of financial position as at September 30, 2012. Outokumpu's financial year is the calendar year.
- (2) This column reflects Inoxum's unaudited combined statement of income and unaudited combined statement of comprehensive income for the 12 months ended December 31, 2011. As Inoxum's fiscal year-end is September 30 and in order to present unaudited pro forma financial information on comparable periods, Inoxum's audited combined statement of income and audited combined statement of comprehensive income for the fiscal year ended September 30, 2011 has been adjusted by (i) adding the income and expenses from Inoxum's unaudited combined interim statement of income and unaudited combined interim statement of comprehensive income for the three months ended December 31, 2011; and (ii) subtracting the income and expenses from Inoxum's unaudited combined interim statement of income and unaudited combined interim statement of comprehensive income for the three months ended December 31, 2010. Inoxum's unaudited combined statement of income and unaudited combined statement of comprehensive income for the 12 months ended December 31, 2011 were derived as follows:

	Inoxum			
	For the fiscal year ended September 30, 2011 (audited)	For the three months ended December 31, 2010 (-)	For the three months ended December 31, 2011 (+) (unaudited)	For the 12 months ended December 31, 2011
	(EUR in millions)			
Net sales	6,739	1,605	1,438	6,572
Cost of sales	<u>(6,363)</u>	<u>(1,517)</u>	<u>(1,429)</u>	<u>(6,275)</u>
Gross profit	376	88	9	297
Other operating income	22	3	4	23
Selling expenses.....	(206)	(48)	(50)	(208)
General and administrative expenses	(155)	(39)	(47)	(163)
Other operating expenses	<u>(325)</u>	<u>(7)</u>	<u>(19)</u>	<u>(337)</u>
Income / (loss) from operations	(288)	(3)	(103)	(388)
Income from companies accounted for using the equity method	3	2	-	1
Interest income	27	2	9	34
Interest expense.....	(59)	(13)	(38)	(84)
Other financial expense, net	<u>(25)</u>	<u>(6)</u>	<u>(4)</u>	<u>(23)</u>
Financial expense, net	<u>(54)</u>	<u>(15)</u>	<u>(33)</u>	<u>(72)</u>
Loss before taxes	(342)	(18)	(136)	(460)
Income tax benefit.....	2	5	23	20
Net loss	(340)	(13)	(113)	(440)
Other comprehensive income:				
Foreign currency translation adjustment:				
Change in unrealized gains/(losses), net	(1)	13	9	(5)
Actuarial gains/(losses) from pensions and similar obligations:				
Change in actuarial gains/(losses), net	28	21	(8)	(1)
Tax effect	(9)	(7)	3	1
Unrealized (losses)/gains on derivative financial instruments:				
Change in unrealized gains/(losses), net	(27)	(1)	12	(14)
Net realized (gains)/losses	5	2	-	3
Tax effect	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
Other comprehensive income	<u>3</u>	<u>28</u>	<u>16</u>	<u>(9)</u>
Total comprehensive income	<u>(337)</u>	<u>15</u>	<u>(97)</u>	<u>(449)</u>

An impairment loss on goodwill, amounting to EUR 290 million, was recognized within other operating expenses in Inoxum's audited combined statement of income for the fiscal year ended September 30, 2011.

- (3) This column reflects the impact of accounting policy alignment of historical financial information between Outokumpu and Inoxum. In this column adjustments are made to arrive at comparable figures.

Adjustments to the Unaudited Pro Forma Statement of Financial Position as at September 30, 2012

Outokumpu applies the corridor method for recognizing actuarial gains and losses arising from pension benefit arrangements, while Inoxum recognizes such actuarial gains and losses in other comprehensive income. In the preparation of the unaudited pro forma financial information, Inoxum's accounting policy has been applied to follow the "IAS 19 – Employee Benefits" principles which will become effective on January 1, 2013, to reflect the impact of this future requirement. This amendment decreased Outokumpu's other receivables by EUR 56 million, increased pension obligations by EUR 63 million and had an aggregate impact on retained earnings of negative EUR 119 million. The related impact on deferred taxes being taken into account, the decrease in deferred tax liabilities was EUR 1 million and the increase in deferred tax assets was EUR 33 million. Consequently, the net effect on equity was negative EUR 85 million.

Adjustments to the Unaudited Pro Forma Statement of Income for the 12 Months Ended December 31, 2011

The recognition of actuarial gains and losses in other comprehensive income instead of the application of the corridor method had a positive effect of EUR 9 million on the unaudited pro forma statement of income for the 12 months ended December 31, 2011. The impact of the amendment was EUR 2 million on cost of sales, EUR 4 million on selling and marketing expenses and EUR 3 million on administrative expenses. The related income tax effect was EUR 2 million. The positive effect resulted mainly from certain curtailments. When actuarial gains and losses are recognized in other comprehensive income, such gains and losses are not reclassified to profit or loss in subsequent periods. The impact of the reversal of the actuarial losses recognized as part of the curtailments carried out in the 12 months ended December 31, 2011 amounted to EUR 8 million. Interest expenses of EUR 21 million and expected return on plan assets of EUR 21 million were transferred from operating functions to interest expenses and interest income, respectively, in accordance with the adopted principle of presenting the interest expense and expected return on plan assets within the financial items.

The actuarial losses recognized in other comprehensive income amounted to EUR 5 million and the related tax effect was EUR 2 million.

- (4) This column reflects the differences in presentation of financial statement items, thus adjustments are made to present Inoxum's figures in a manner consistent with Outokumpu's figures. This column also reflects the transfer of the re-charge for the utilization of ThyssenKrupp trade name from equity to the statement of income of Inoxum.

Adjustment to the Unaudited Pro Forma Statement of Financial Position as at September 30, 2012

Reclassifications of line items include the following items:

- Certain employee benefit obligations: These obligations, amounting to EUR 5 million, were recognized in other provisions in Inoxum's statement of financial position as at September 30, 2012. These obligations were reclassified to other payables in accordance with Outokumpu's accounting policy.

Adjustments to the Unaudited Pro Forma Statement of Income for the 12 Months Ended December 31, 2011

Reclassifications of line items include the following major items:

- Inoxum recognizes the impact of fair value changes arising from derivatives not under hedge accounting in sales and cost of sales to which they relate, whereas Outokumpu treats them as adjustments to other operating income and other operating expenses. The reclassification of the fair value changes arising from derivatives not under hedge accounting had an impact of negative EUR 17 million on sales, EUR 10 million on cost of sales, EUR 83 million on other operating income and negative EUR 75 million on other operating expenses;
 - The re-charge for the utilization of the ThyssenKrupp trade name was accounted for by Inoxum as an equity transaction with ThyssenKrupp. In the unaudited pro forma statement of income the re-charge for the right to use the ThyssenKrupp trade name is presented according to Outokumpu's accounting policy (*i.e.*, it is expensed). The resulting effect on the unaudited pro forma statement of income on selling and marketing expenses was negative EUR 26 million. The related income tax effect was EUR 8 million; and
 - Inoxum recognizes research and development expenses in other operating expenses, whereas Outokumpu presents such expenses as a separate line item in the statement of income. These expenses, amounting to EUR 14 million, were reclassified from other operating expenses to research and development expenses.
- (5) This column reflects the effects of the Inoxum Transaction and the provisional purchase price allocation on the unaudited pro forma statement of financial position as at September 30, 2012. The final purchase price allocation could significantly differ from the provisional purchase price allocation below, which is principally based on the carrying values and is presented for illustrative purposes only.

Consideration to Be Transferred for Inoxum and Liabilities to Be Assumed

The total consideration payable by Outokumpu to ThyssenKrupp as part of the Inoxum Transaction and the liabilities to be assumed by Outokumpu comprised the following items as at September 30, 2012:

	<u>As at September 30, 2012</u>
	<u>(EUR in millions)</u>
Consideration to be transferred:	
Consideration in cash	1,000
Placement Shares to ThyssenKrupp	460 ⁽¹⁾
Loan Note to be issued to ThyssenKrupp	876 ⁽²⁾
Liabilities to be assumed:	
Inoxum's pension obligations	338
Inoxum's net external financial debt	<u>133</u>
Total consideration and liabilities to be assumed	<u>2,807</u>

(1) Based on Outokumpu share price of EUR 0.74 as at November 9, 2012.

(2) The principal amount of the Loan Note is subject to adjustment. For more information on the Loan Note, see Note 7.

The total consideration payable by Outokumpu to ThyssenKrupp as part of the Inoxum Transaction and the liabilities to be assumed by Outokumpu amount to, in aggregate, EUR 2,807 million consisting of (i) EUR 1 billion in cash; (ii) the Placement Shares, with a value of EUR 460 million, to be issued to ThyssenKrupp (based on the reported closing price of Outokumpu's shares on the Helsinki Stock Exchange on November 9, 2012); (iii) the Loan Note, with a principal amount of EUR 876 million based on Inoxum's audited combined statement of financial position as at September 30, 2012; and (iv) Outokumpu assuming Inoxum's pension obligations of EUR 338 million and net external financial debt of EUR 133 million (based on Inoxum's audited combined statement of financial position as at September 30, 2012), defined as total liabilities to financial institutions plus total finance lease liabilities less cash and cash equivalents. The EUR 1 billion cash consideration and the Loan Note are the consideration for ThyssenKrupp's outstanding receivables against Inoxum. For more information on the Loan Note, see Note 7.

The parties have agreed that the disposal of the Divestment Assets will result in an adjustment to the consideration payable by Outokumpu to ThyssenKrupp for Inoxum (through a reduction of the principal amount of the Loan Note) to account for the financial impact of the divestment (the difference between the fair market value and the sale price and the amount of lost synergies). The adjustment will be calculated in accordance with the terms of the Business Combination Agreement and cannot exceed EUR 200 million. For more information, see "Material Agreements—Inoxum Transaction—Business Combination Agreement—Regulatory Approvals." As the financial impacts of the disposal of the Divestment Assets are not yet known, the adjustment to the principal amount of the Loan Note and the resulting effects have not been considered in determination of the total amount of consideration, nor in the preparation of the unaudited pro forma financial information.

Following the completion of the Inoxum Transaction, ThyssenKrupp will hold 29.9 percent of Outokumpu's issued and outstanding Shares. The value of the Placement Shares for the purposes of the provisional purchase price allocation, EUR 460 million, has been calculated based on Outokumpu's share price as at November 9, 2012 (EUR 0.74 per share).

Outokumpu's share price as well as adjustments to the principal amount of the Loan Note will affect the final amount of the consideration. See Note 7 for additional information on the effect of the adjustments to the Loan Note and Note 9 for additional information on the effect of Outokumpu's share price on the final amount of the consideration. Thus, changes in the final amount of the consideration will affect the final purchase price allocation and the resulting negative goodwill in the pro forma financial information. The Inoxum Transaction is estimated to result in a gain from a bargain purchase (*i.e.*, negative goodwill), based on the information available for the preparation of this unaudited pro forma financial information and the measurement principles applied. Changes in the final amount of the consideration

would impact other operating income in the unaudited pro forma financial information. As the provisional purchase price allocation is hypothetical, the final result of the Innoxum Transaction may significantly differ from the provisional purchase price allocation.

Provisional Purchase Price Allocation

The provisional purchase price allocation as at September 30, 2012 is hypothetical as control over Innoxum had not transferred from ThyssenKrupp to Outokumpu and the preparation of the purchase price allocation has only been started. The final purchase price allocation will be prepared based on the fair values of Innoxum's identifiable assets, liabilities and contingent liabilities as at the Completion Date. Therefore, the final amount of the consideration as well as the final purchase price allocation as at the Completion Date may significantly differ from the provisional purchase price allocation presented in this unaudited pro forma financial information. In the provisional purchase price allocation the Remedy Adjustments were prepared based on the carrying values of the Divestment Assets and associated liabilities. The consideration to be received for the Divestment Assets has not been considered as the consideration or the fair values of the Divestment Assets are not known as at the date of these listing particulars.

The provisional purchase price allocation has been prepared based on high-level assessment of potential intangible assets based on September 30, 2012 financial information and material available at the time of preparation of the unaudited pro forma financial information. Based on the high-level analysis, customer-based, marketing-related and contract-based intangible assets were identified. The fair value of these intangible assets identified was estimated to amount to EUR 13 million. The remaining high level useful life of the intangible assets recognized was estimated to be two years.

In this provisional purchase price allocation the Innoxum Transaction is estimated to result in a gain from a bargain purchase (*i.e.*, negative goodwill). This gain is presented under other operating income in the unaudited pro forma financial information. Outokumpu's share price as well as adjustments to the principal amount of the Loan Note will impact the final amount of the consideration and the final purchase price allocation will be prepared based on the fair values of Innoxum's identifiable assets, liabilities and contingent liabilities as at the Completion Date, when Outokumpu gained control over Innoxum. Therefore, the resulting negative goodwill is provisional and the consideration as well as the resulting residuals at the Completion Date may significantly differ from that presented in this unaudited pro forma financial information.

The consideration payable by Outokumpu to ThyssenKrupp as part of the Innoxum Transaction comprised the following items as at September 30, 2012, according to "IFRS 3 – Business Combinations":

	As at September 30, 2012 (EUR in millions)
Consideration in cash.....	1,000
Placement Shares to be issued to ThyssenKrupp.....	460 ⁽¹⁾
Loan Note to be issued to ThyssenKrupp.....	876 ⁽²⁾
Total consideration to be transferred	<u>2,336</u>

(1) Based on Outokumpu share price of EUR 0.74 as at November 9, 2012.

(2) The principal amount of the Loan Note is subject to adjustment. For more information on the Loan Note, see Note 7.

Indicative Fair Values of Innoxum's Identifiable Assets and Liabilities Assumed

The following table sets forth Innoxum's identifiable assets and liabilities to be assumed as at September 30, 2012 based on the provisional purchase price allocation. The values are principally based on book values because as at the date of these listing particulars the fair values could not be determined reliably.

	As at September 30, 2012 (EUR in millions)
Intangible assets	36
Property, plant and equipment	2,506
Investment property	15
Investments in associated companies	18
Available-for-sale financial assets	2
Other non-current receivables	7
Deferred tax assets	0
Derivative financial instruments	52
Inventory	1,677
Loans receivables.....	66
Trade and other receivables	688
Cash and cash equivalents	67
Non-controlling interest	(13)
Long-term debt	(110)
Deferred tax liabilities	(93)
Pension obligations	(338)
Provisions (non-current)	(135)
Current debt	(153)
Derivative financial instruments	(35)
Trade and other payables (interest-bearing)	(24)
Provisions (current)	(61)
Income tax liabilities.....	(6)
Trade payables (non-interest-bearing).....	(1,477)
Identifiable net assets	2,689
Gain from bargain purchase (negative goodwill).....	(353)
Total	<u>2,336</u>

Adjustments to the Unaudited Pro Forma Statement of Financial Position as at September 30, 2012

The major adjustments include the following:

- Intangible assets: The goodwill included in Innoxum's audited combined statement of financial position as at September 30, 2012, amounting to EUR 47 million, has been derecognized in the unaudited pro forma statement of financial position. In the provisional purchase price allocation, a write-down of EUR 13 million on intangible assets has been recognized. Additionally,

customer-based, marketing-related and contract-based intangible assets have been identified. The fair value of these intangible assets identified was estimated to total EUR 13 million and their useful lives were estimated to be two years. Furthermore, a right of use agreement that is to be assumed by Outokumpu as part of the Inoxum Transaction has been capitalized as an intangible asset, amounting to EUR 14 million. The corresponding liability is presented under trade and other payables. The aggregate net impact of these adjustments discussed above on intangible assets amounted to negative EUR 32 million.

- Property, plant and equipment: In the provisional purchase price allocation a write-down of EUR 10 million on property, plant and equipment has been recognized. This relates to the Italian operations of Inoxum. Sufficient information to carry out a thorough valuation on property, plant and equipment was not available for the preparation of the provisional purchase price allocation. Thus, the fair value adjustment to property, plant and equipment in the final purchase price allocation may significantly differ from the provisional purchase price allocation presented in this unaudited pro forma financial information. In respect of property, plant and equipment some assets are also to be assumed by Outokumpu as part of the Inoxum Transaction, mainly consisting of real estate assets, amounting to EUR 9 million. The corresponding liability is presented under trade and other payables. In the Inoxum Transaction certain other assets are to be assumed by Outokumpu, mostly consisting of land areas and buildings, which are accounted for as assets acquired under finance leases assuming Outokumpu will exercise its option to enter into these lease contracts. The resulting increase in property, plant and equipment amounted to EUR 63 million. The aggregate net increase of property, plant and equipment amounted to EUR 62 million.
- Deferred tax assets and deferred tax liabilities: Deferred tax assets of Inoxum, totaling EUR 186 million, were written down in the provisional purchase price allocation due to the review and evaluation of the tax and financing strategies after the combination of Outokumpu and Inoxum. The amount of the deferred tax assets will be evaluated after the completion of the Inoxum Transaction based on the estimates of the taxable income in the foreseeable future and on the intra-group financing strategies of the Combined Group. The accounting treatment of deferred tax assets could significantly change when the final purchase price allocation is prepared. A deferred tax liability amounting to EUR 3 million (net) was recorded on the difference between the fair values and the tax bases of the acquired assets as well as liabilities and contingent liabilities assumed.
- Cash and cash equivalents: This adjustment reflects the EUR 1 billion that was raised in the Rights Offering to partly finance the Inoxum Transaction.
- Interest-bearing liabilities: Of the finance lease liabilities related to the assets to be assumed by Outokumpu as part of the Inoxum Transaction (property, plant and equipment), EUR 62 million is non-current and EUR 1 million current.
- Items related to Inoxum's intra-group financing with ThyssenKrupp: The major adjustment items related to ThyssenKrupp are associated with Inoxum's intra-group financing with ThyssenKrupp. The adjustments are made to align the remaining amount of liabilities with the amount agreed upon to be assumed by Outokumpu as part of the Inoxum Transaction, see Note 8.

Based on the latest information available, Outokumpu is not aware of Inoxum-related environmental obligations that would not have been provided for appropriately. See "Risk Factors—Risks Relating to the Combined Group and the Stainless Steel Industry—The Combined Group's operations are subject to various environmental laws and regulations and a failure to comply with these laws and regulations could result in unexpected costs and other liabilities." Regarding closure costs no reliable estimation of such expenditure can currently be made.

Adjustments to the Unaudited Pro Forma Statement of Income for the 12 Months Ended December 31, 2011

The major adjustments are as follows:

- Other operating income: The Inoxum Transaction is estimated to result in a gain from a bargain purchase (*i.e.*, negative goodwill), amounting to EUR 353 million. Currently this gain is presented under other operating income.
- Acquisition-related costs: The estimated acquisition-related costs amount to EUR 21 million and are presented under other operating expenses. Other operating expenses also include other expenditure arising from the Inoxum Transaction totaling EUR 16 million. In aggregate these costs amount to EUR 37 million.
- Depreciation and amortization: The impact on depreciation and amortization arising from (i) the fair value adjustments to the carrying amounts of intangible assets and property, plant and equipment; (ii) the assets to be assumed by Outokumpu as part of the Inoxum Transaction relating to property, plant and equipment; and (iii) the write-downs on intangible assets and property, plant and equipment, amounted in aggregate to negative EUR 2 million (net). The largest sub-item, negative EUR 7 million, arises from the amortization of the intangible assets identified in the Inoxum Transaction. The impact of these adjustments amounted to negative EUR 3 million on cost of sales and EUR 1 million on administrative expenses.
- Interest expenses: Interest expenses related to the finance lease liabilities arising from assets to be assumed by Outokumpu as part of the Inoxum Transaction amounted to EUR 3 million.
- Deferred taxes: The change in deferred taxes was negative EUR 30 million, which reversed the increase of deferred tax assets recognized in the unaudited pro forma statement of income for the 12 months ended December 31, 2011. The corresponding effect on other comprehensive income amounted to negative EUR 8 million.

- (6) This column reflects the impacts of the Remedy Adjustments. The European Commission approved the proposed combination of Outokumpu and Inoxum provided that Outokumpu will divest the Divestment Assets.

The underlying assets, associated liabilities as well as related income and expenses are carved out in the pro forma information (*i.e.*, they are deducted from the respective income, expenses, assets and liabilities of the Combined Group in a separate column). The purpose of this presentation is to illustrate the Combined Group as it will be without the Divestment Assets. In the unaudited pro forma financial information, as regard to the carve-out, the consideration from the sale of the Divestment Assets has not been considered since on the date of these listing particulars, the sale process of the Divestment Assets has only begun as the European Commission only approved the proposed combination of Outokumpu and Inoxum on November 7, 2012. Consequently, the net amount consisting of the Divestment Assets and associated liabilities added with financial receivables is presented as a separate line item in the unaudited pro forma statement of financial position.

Outokumpu believes that the chosen presentation of financial receivables, whereby these items are shown as part of the net remedy assets (in the column "Impact of Remedy Adjustments") best illustrates the post-Inoxum Transaction position when Outokumpu will no longer finance the owner entities of the Divestment Assets, based on the decision of the European competition authority (European Commission). Thus, subsequent to the Inoxum Transaction, the Combined Group will not have financial receivables from the owner entities of the Divestment Assets. The financial receivables of the Combined Group from the owner entities of the Divestment Assets are presented in the column "Impact of Remedy Adjustments" as part of the net remedy assets.

Adjustments to the Unaudited Pro Forma Statement of Financial Position as at September 30, 2012

The major adjustments include the following (based on the carrying values of the underlying assets and associated liabilities):

- Property, plant and equipment: As a result of the Remedy Adjustments the balance of property, plant and equipment in the unaudited pro forma statement of financial position was reduced by EUR 522 million.
- Inventories: The impact of the Remedy Adjustments amounted to negative EUR 404 million.
- Trade and other receivables (non interest-bearing): The impact of the Remedy Adjustments amounted to negative EUR 146 million.
- Trade and other payables (current): The impact of the Remedy Adjustments amounted to negative EUR 481 million.
- Net remedy assets: The impact of the Remedy Adjustments amounted, in aggregate, to EUR 594 million.

Adjustments to the Unaudited Pro Forma Statement of Income for the 12 Months Ended December 31, 2011

The major adjustments are as follows:

- Sales: The impact of the Remedy Adjustments amounted to negative EUR 1,917 million.
- Cost of sales: The impact of the Remedy Adjustments amounted to EUR 1,947 million.

To reflect the impact of the Remedy Adjustments from the perspective of the Combined Group the internal sales between Inoxum and the owner entities of the Divestment Assets (sales of the Combined Group to the related companies) have been reclassified to external sales. Previously these sales of the Combined Group to the owner entities of the Divestment Assets were eliminated in the combined financial statements of Inoxum. The impact of this adjustment amounted to EUR 41 million. The respective adjustment was made to cost of sales.

(7) This column reflects the impact of the Loan Note, which is part of the consideration.

ThyssenKrupp Nederland B.V. and Outokumpu have entered into the Loan Note agreement on the Completion Date. The Loan Note is part of the consideration for the Inoxum Transaction and is contractually subordinated to certain specified current and future debt of Outokumpu in the event of an insolvency of Outokumpu. The principal amount of the Loan Note has been calculated based on an estimate of Inoxum's Intra-Group Financing Balance (as defined herein) prepared by ThyssenKrupp in accordance with the Business Combination Agreement and consists of two tranches. The initial principal amount of the Tranche A is approximately EUR 700 million, which will be adjusted following the Completion Date as described below, and the initial principal amount of the Tranche B is EUR 550 million. The pro forma financial information has been prepared as at September 30, 2012 when, based on Inoxum's audited combined statement of financial position, the principal amount of the Loan Note was EUR 876 million.

Tranche A will be adjusted to reflect the difference between (i) Inoxum's estimated Intra-Group Financing Balance prior to the Closing Date and (ii) Inoxum's final Intra-Group Financing Balance ("Inoxum's Final Intra-Group Financing Balance"), both prepared by ThyssenKrupp. Further, the principal amount of Tranche B will be adjusted to account for the financial impact of the disposal of the Divestment Assets (the difference between the fair market value and the sale price and the amount of lost synergies). The adjustment will be calculated in accordance with the terms of the Business Combination Agreement and cannot exceed EUR 200 million. For more information of these adjustments, see "Material Agreements—Inoxum Transaction—Business Combination Agreement—Regulatory Approvals" below.

Repayments of Tranche A will begin on the fourth anniversary of the Completion Date in accordance with an agreed repayment schedule. The Loan Note will finally mature on November 30, 2021 (i.e., on the ninth anniversary of the Completion Date). Interest accrues on the principal amount of the Loan Note at a rate of three-month Euribor plus a margin (between 4.0 percent per annum and 9.5 percent per annum) that increases at specific times. Interest is payable every three months. Regarding Tranche A, Outokumpu has the option to capitalize up to 100 percent of the interest during the first 24 months and up to 50 percent for months 25 through 36. After month 36, Outokumpu will not have the option to capitalize interest on Tranche A. Regarding Tranche B, Outokumpu has the option to capitalize up to 100 percent of the interest during the first 60 months, but if Outokumpu capitalizes more than 50 percent of the interest for interest periods ending during months 25 through 36 or any interest for interest periods ending during months 37 through 60, it would have to pay a higher margin. After month 60, Outokumpu will not have the option to capitalize interest on Tranche B.

For more information on the conditions related to the Loan Note see "Material Agreements—Inoxum Transaction—Loan Note."

Adjustments to the Unaudited Pro Forma Statement of Income for the 12 Months Ended December 31, 2011

The interest expense adjustment, negative EUR 53 million, was determined based on the estimated principal amount of the Loan Note as at September 30, 2012.

ThyssenKrupp Nederland Holding B.V., as lender, and Outokumpu, as borrower, have entered into the EUR 250 million Revolving Backup Facility (as defined herein) agreement, dated the Completion Date. The adjustment arisen from the fees related to the Revolving Backup Facility agreement made to the other financial expenses amounted to negative EUR 5 million. For more information on the Revolving Backup Facility, see "Material Agreements—Inoxum Transaction—TK Backup Facilities."

In December 2012, Outokumpu entered into a EUR 250 million forward start revolving credit facility (the "FSF") with Nordea. The adjustment arisen from the fees related to the FSF made to the other financial expenses amounted to negative EUR 4 million. For more information on the FSF, see "Operating and Financial Review and Prospects—Borrowings—Revolving Credit Facilities."

The aggregate tax impact associated with the adjustments related to the Loan Note, the Revolving Backup Facility agreement and the FSF amounted to EUR 15 million.

(8) This column reflects the reversal of Inoxum's intra-group financing with ThyssenKrupp as these financial assets and financial liabilities (net) will not be assumed by Outokumpu as part of the Inoxum Transaction.

Adjustments to the Unaudited Pro Forma Statement of Financial Position as at September 30, 2012

In the unaudited pro forma statement of financial position as at September 30, 2012, EUR 91 million of non-current financial assets (receivables) from ThyssenKrupp were deducted from assets. Inoxum's current financial debt of EUR 3,041 million consists of both intra-group financing of EUR 2,888 million from ThyssenKrupp, which was deducted from the financial debt, and financial debt from financial institutions and finance lease liabilities, totaling EUR 153 million. Inoxum's non-current financial debt of EUR 47 million consisted of financial debt from financial institutions and finance lease liabilities. Consequently, subsequent to the completion of the Inoxum Transaction, Inoxum will continue having only those liabilities that have been specifically agreed upon as part of the Inoxum Transaction.

Adjustments to the Unaudited Pro Forma Statement of Income for the 12 Months Ended December 31, 2011

An adjustment amounting to EUR 33 million (net) was made to financial items. This relates to Inoxum's intra-group financing with ThyssenKrupp, both to liabilities and receivables. The adjustments to both intra-group interest income, negative EUR 21 million, and intra-group interest expenses, EUR 54 million, were based on the assumption that in the Innoxum Transaction these receivables and liabilities will be settled. The related tax effect was negative EUR 10 million.

- (9) This column reflects the Placement to ThyssenKrupp, representing in aggregate, 29.9 percent of its issued and outstanding Shares, calculated based on Outokumpu's share price of EUR 0.74 per share as at November 9, 2012, totaling EUR 460 million. The value of the Placement Shares is dependent on Outokumpu's share price on the Completion Date, thus it is subject to change.

The following table sets forth the value of the Placement Shares as at November 9, 2012:

	<u>As at November 9, 2012</u>
Number of Outokumpu shares	1,456,022,888
Share price (EUR per share).....	<u>0.74</u>
Pre-Placement market capitalization (EUR in millions)	<u>1,077</u>
Outokumpu's shareholders' share in the Combined Group (percent):	70.1
ThyssenKrupp's share in the Combined Group (percent)	29.9
Post-Placement market capitalization (EUR in millions) ⁽¹⁾	1,537
Pre-Placement market capitalization (EUR in millions)	<u>1,077</u>
Placement Shares (EUR in millions)	<u>460</u>

(1) Post-Placement market capitalization was calculated by dividing the current market capitalization plus the number of shares issued in the Rights Offering with rights issue by the percentage ownership of 70.1 percent of current Outokumpu shares.

If the share price were EUR 0.70 per share or EUR 1.30 per share, the Placement Shares would amount to EUR 435 million or EUR 807 million, respectively, and the gain (negative goodwill) arising from the Innoxum Transaction would be EUR 378 million or goodwill EUR 6 million, respectively.

- (10) Pro forma EBITDA of the Combined Group

	Outokumpu, for the year ended December 31, 2011 ⁽¹⁾	Inoxum for the 12 months ended December 31, 2011 ⁽²⁾	Differences in accounting policies ⁽³⁾	Differences in presen- tation ⁽⁴⁾	PPA adjust- ments ⁽⁵⁾	Impact of Remedy Adjust- ments ⁽⁶⁾	Impact of Loan Note ⁽⁷⁾	Reversal of Innoxum Intra- group financing with Thyssen- Krupp ⁽⁸⁾	Pro forma Combined Group
	(audited)	(unaudited)							
	(EUR in millions)								
Operating result.....	(260)	(388)	9	(25)	315	143	-	-	(207)
Depreciation and amortization	234	181	-	-	2	(94)	-	-	232
Impairments.....	<u>106</u>	<u>290</u>	-	-	-	(34)	-	-	<u>236</u>
EBITDA ^(*)	<u>80</u>	<u>83</u>	<u>9</u>	<u>(25)</u>	<u>317</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>478</u>

(*) EBITDA = Operating result before depreciation, amortization and impairments.

Unaudited Pro Forma Interim Statement of Income

	Outokumpu, for the nine months ended September 30, 2012 ⁽¹⁾	Inoxum, for the nine months ended September 30, 2012 ⁽²⁾	Differences in accounting policies ⁽³⁾	Differences in presentation ⁽⁴⁾	PPA adjustments ⁽⁵⁾	Impact of Remedy Adjustments ⁽⁶⁾	Impact of Loan Note ⁽⁷⁾	Reversal of Inoxum intra-group financing with Thyssen-Krupp ⁽⁸⁾	Pro forma Combined Group
	(unaudited)		(EUR in millions)						
Sales	3,533	4,909	-	10	-	(1,072)	-	-	7,379
Cost of sales	<u>(3,474)</u>	<u>(4,862)</u>	-	<u>(2)</u>	<u>1</u>	<u>1,088</u>	-	-	<u>(7,250)</u>
Gross margin	59	46	-	8	1	16	-	-	129
Other operating income	21	29	-	24	-	(17)	-	-	57
Selling and marketing expenses	(89)	(174)	1	-	-	38	-	-	(224)
Administrative expenses	(115)	(139)	-	-	1	16	-	-	(237)
Research and development expenses	(14)	-	-	(18)	-	3	-	-	(30)
Other operating expenses	<u>(30)</u>	<u>(48)</u>	<u>1</u>	<u>(13)</u>	<u>-</u>	<u>29</u>	<u>-</u>	<u>-</u>	<u>(61)</u>
Operating result	(167)	(286)	2	0	2	85	-	-	(365)
Share of results in associated companies	(0)	3	-	-	-	1	-	-	3
Financial income and expenses:									
Interest income	9	17	14	-	-	(6)	-	(11)	24
Interest expenses	(57)	(75)	(16)	-	(3)	6	(40)	59	(125)
Market price gains and losses	(35)	-	-	-	-	-	-	-	(35)
Other financial income	1	-	-	-	-	-	-	-	1
Other financial expenses	<u>(7)</u>	<u>(22)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>(4)</u>	<u>-</u>	<u>(24)</u>
Total financial income and expenses	<u>(88)</u>	<u>(76)</u>	<u>(2)</u>	<u>-</u>	<u>(3)</u>	<u>9</u>	<u>(44)</u>	<u>48</u>	<u>(156)</u>
Result before taxes	(255)	(363)	0	0	(1)	95	(44)	48	(519)
Income taxes	<u>29</u>	<u>45</u>	<u>-</u>	<u>-</u>	<u>(26)</u>	<u>0</u>	<u>11</u>	<u>(14)</u>	<u>44</u>
Net result for the period	<u>(226)</u>	<u>(318)</u>	<u>0</u>	<u>0</u>	<u>(27)</u>	<u>95</u>	<u>(33)</u>	<u>34</u>	<u>(475)</u>

Unaudited Pro Forma Interim Statement of Comprehensive Income

	Outokumpu, for the nine months ended September 30, 2012 ⁽¹⁾	Inoxum, for the nine months ended September 30, 2012 ⁽²⁾	Differences in accounting policies ⁽³⁾	Impact of Remedy Adjustments ⁽⁶⁾	Other pro forma adjustments to statement of income and statement of comprehensive income ⁽⁴⁾⁽⁵⁾⁽⁷⁾⁽⁸⁾	Pro forma Combined Group
	(unaudited)		(EUR in millions)			
Net result for the period	(226)	(318)	0	95	(26)	(475)
Other comprehensive income:						
Exchange differences on translating foreign operations	4	5	-	-	-	9
Available-for-sale financial assets:						
Fair value changes during the period	(2)	-	-	-	-	(2)
Reclassification adjustments from other comprehensive income to profit or loss	-	-	-	-	-	-
Income tax relating to available-for-sale financial assets	1	-	-	-	-	1
Actuarial gains / (losses) from pensions and similar obligations:						
Change in actuarial gains / (losses), net	-	(50)	(68)	5	-	(113)
Income tax relating to actuarial gains / (losses)	-	15	19	(1)	(15)	18
Cash flow hedges:						
Fair value changes during the period	19	10	-	-	-	29
Reclassification adjustments from other comprehensive income to profit or loss	(2)	(3)	-	-	-	(5)
Income tax relating to cash flow hedges	9	(6)	-	-	-	3
Share of other comprehensive income of associated companies	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	<u>29</u>	<u>(28)</u>	<u>(49)</u>	<u>4</u>	<u>(15)</u>	<u>(60)</u>
Total comprehensive income for the period	<u>(198)</u>	<u>(346)</u>	<u>(49)</u>	<u>99</u>	<u>(41)</u>	<u>(535)</u>

- (1) This column reflects Outokumpu's unaudited consolidated interim statement of income and unaudited consolidated interim statement of comprehensive income for the nine months ended September 30, 2012.
- (2) This column reflects Inoxum's unaudited combined interim statement of income and unaudited combined interim statement of comprehensive income for the nine months ended September 30, 2012. As Inoxum's fiscal year-end is September 30 and in order to present unaudited pro forma financial information on comparable periods, Inoxum's audited combined statement of income and audited combined statement of comprehensive income for the fiscal year ended September 30, 2012 were adjusted by subtracting the income and expenses from Inoxum's unaudited combined interim statement of income and unaudited combined interim statement of comprehensive income for the three months ended December 31, 2011. Inoxum's unaudited combined interim statement of income and unaudited combined interim statement of comprehensive income for the nine months ended September 30, 2012 were derived as follows:

	Inoxum		
	For the fiscal year ended September 30, 2012 (audited)	For the three months ended December 31, 2011 (-) (unaudited)	For the nine months ended September 30, 2012 (unaudited)
	(EUR in millions)		
Net sales	6,346	1,438	4,909
Cost of sales.....	(6,291)	(1,429)	(4,862)
Gross profit	55	9	46
Selling expenses.....	(224)	(50)	(174)
General and administrative expenses.....	(186)	(47)	(139)
Other operating income.....	33	4	29
Other operating expenses.....	(67)	(19)	(48)
Income / (loss) from operations	(389)	(103)	(286)
Income from companies accounted for using the equity method.....	3	0	3
Interest income.....	26	9	17
Interest expense.....	(113)	(38)	(75)
Other financial expense, net.....	(26)	(4)	(22)
Financial expense, net.....	(109)	(33)	(76)
Income / (loss) before income taxes	(498)	(136)	(363)
Income tax benefit / (expense).....	68	23	45
Net income / (loss)	(431)	(113)	(318)
Other comprehensive income:			
Foreign currency translation adjustment:			
Change in unrealized gains / (losses), net.....	14	9	5
Actuarial gains / (losses) from pensions and similar obligations:			
Change in actuarial gains / (losses), net.....	(58)	(8)	(50)
Tax effect.....	17	3	15
Unrealized (losses) / gains on derivative financial instruments (hedging reserve):			
Change in unrealized gains / (losses), net.....	22	12	10
Net realized (gains) / losses.....	(3)	0	(3)
Tax effect.....	(6)	0	(6)
Other comprehensive income	(13)	15	(28)
Total comprehensive income	(444)	(98)	(346)

Inoxum's unaudited combined interim statement of income for the nine months ended September 30, 2012 includes an impairment charge on property, plant and equipment recognized in cost of sales, amounting to EUR 47 million primarily related to the Krefeld melt shop to be closed by the end of 2013, as well as an expense of EUR 58 million recognized in cost of sales, which relates to the Düsseldorf-Benrath and Krefeld production facilities. In aggregate these items amount to EUR 105 million.

- (3) This column reflects the impact of the accounting policy alignment of the historical financial information between Outokumpu and Inoxum. In this column adjustments are made to arrive at comparable figures.

Adjustments to the Unaudited Pro Forma Interim Statement of Income for the Nine Months Ended September 30, 2012

The interest expenses arising from the post-employment benefit plans (pensions), EUR 16 million, and the expected return on plan asset, EUR 14 million, were transferred from operating functions to interest expenses and interest income, respectively. The impact on both cost of sales and other operating expenses amounted to EUR 1 million (net).

The actuarial losses recognized in other comprehensive income amounted to EUR 68 million and the related tax effect was EUR 19 million.

- (4) This column reflects the differences in presentation of financial statement items, thus adjustments are made to present Inoxum's figures in a manner consistent with the Outokumpu figures.

Adjustments to the Unaudited Pro Forma Interim Statement of Income for the Nine Months Ended September 30, 2012

Reclassifications of line items include the following major items:

- Impact of the fair value changes arisen from the derivatives not under hedge accounting: The reclassification of the fair value changes arising from derivatives not under hedge accounting had an impact of EUR 10 million on sales, negative EUR 2 million on cost of sales, EUR 24 million on other operating income and negative EUR 32 million on other operating expenses.
- Research and development expenses: These expenses, amounting to EUR 18 million, were reclassified from other operating expenses to be presented as part of research and development expenses.

- (5) This column reflects the adjustments arising from the Inoxum Transaction and the provisional purchase price allocation.

Adjustments to the Unaudited Interim Pro Forma Statement of Income for the Nine Months Ended September 30, 2012

The major adjustments were as follows:

- Depreciation and amortization: The impact on depreciation and amortization arising from (i) the fair value adjustments to the carrying amounts of intangible assets and property, plant and equipment; (ii) the assets to be assumed by Outokumpu as part of the Inoxum Transaction relating to property, plant and equipment; (iii) certain finance leases; and (iv) the write-downs on intangible assets and property, plant and equipment, amounted in aggregate to EUR 2 million (net). The largest sub-item, negative EUR 5 million, was from the amortization of the intangible assets identified in the Inoxum Transaction. The impact of these adjustments is presented under the cost of sales (EUR 1 million) as well as under administrative expenses (EUR 1 million).
- Interest expenses: Interest expenses related to the finance lease liabilities arising from the assets to be assumed by Outokumpu as part of the Inoxum Transaction amounted to negative EUR 3 million.
- Deferred taxes: The impact resulting from the write-down of the deferred tax assets of Inoxum on the income taxes in the unaudited pro forma interim statement of income for the nine months ended September 30, 2012 amounted to negative EUR 26 million, and on the income taxes relating to components of other comprehensive income, negative EUR 15 million. This reversed the increase of deferred tax assets recognized in the unaudited interim statement of income for the nine months ended September 30, 2012 and in other comprehensive income.

- (6) This column reflects the impacts of the Remedy Adjustments.

Adjustments to the Unaudited Pro Forma Interim Statement of Income for the Nine Months Ended September 30, 2012

The major adjustments were as follows:

- Sales: The impact of the Remedy Adjustments amounted to negative EUR 1,072 million.
- Cost of sales: The impact of the Remedy Adjustments amounted to EUR 1,088 million.

To reflect the impact of the Remedy Adjustments from the perspective of the Combined Group, internal sales between Inoxum and the owner entities of the Divestment Assets (sales of the Combined Group to the related companies) have been reclassified to external sales. Previously, these sales of the Combined Group to the owner entities of the Divestment Assets were eliminated in the combined financial statements of Inoxum. The impact of this adjustment amounted to EUR 29 million. The respective adjustment was made to cost of sales.

- (7) This column reflects the impact of the Loan Note, which is part of the consideration payable by Outokumpu to ThyssenKrupp as part of the Inoxum Transaction.

Adjustments to the Unaudited Pro Forma Interim Statement of Income for the Nine Months Ended September 30, 2012

The interest expense adjustment, negative EUR 40 million, was determined based on the estimated principal amount of the Loan Note as at September 30, 2012. The adjustment arisen from the fees related to the Revolving Backup Facility agreement made to the other financial expenses amounted to negative EUR 4 million. The adjustment arisen from the fees related to the FSF made to the other financial expenses amounted to less than EUR 1 million. The aggregate tax impact associated with the adjustments related to the Loan Note, the Revolving Backup Facility agreement and the FSF amounted to EUR 11 million.

- (8) This column reflects the reversal of Inoxum's intra-group financing with ThyssenKrupp as these financial assets and financial liabilities (net) will not be assumed by Outokumpu as part of the Inoxum Transaction.

Adjustments to the Unaudited Pro Forma Interim Statement of Income for the Nine Months Ended September 30, 2012

An adjustment amounting to EUR 48 million (net) has been made to financial items. This relates to Inoxum's intra-group financing with ThyssenKrupp, both to liabilities and receivables. The adjustment to both intra-group interest income, negative EUR 11 million, and intra-group interest expenses, EUR 59 million, was based on the assumption that these receivables and liabilities will be settled as part of the Inoxum Transaction. The related tax effect was negative EUR 14 million.

- (9) Pro forma EBITDA of the Combined Group

	Outokumpu, for the nine months ended September 30, 2012 ⁽⁴⁾	Inoxum for the nine months ended September 30, 2012 ⁽²⁾	Differences in accounting policies ⁽³⁾	Differences in presen- tation ⁽⁴⁾	PPA adjust- ments ⁽⁵⁾	Impact of Remedy Adjust- ments ⁽⁶⁾	Impact of Loan Note ⁽⁷⁾	Reversal of Inoxum intra- group financing with Thyssen- Krupp ⁽⁸⁾	Pro forma Combined Group
	(unaudited)								
	(EUR In millions)								
Operating result.....	(167)	(286)	2	0	2	85	-	-	(364)
Depreciation and amortization	173	145	-	-	(2)	(50)	-	-	266
Impairments	<u>10</u>	<u>50</u>	=	=	=	<u>(5)</u>	=	=	<u>55</u>
EBITDA ^(*)	<u>16</u>	<u>(91)</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>30</u>	=	=	<u>(43)</u>

(*) EBITDA = Operating result before depreciation, amortization and impairments.

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OUTOKUMPU OYJ

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