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OUTOKUMPU DIVESTS ITS REMAINING SHARE OF THE SKS, OPERATIONS TO BE STOPPED

Outokumpu and Lujiazui International Trust Co.Ltd (LTC) have agreed on a Put-and-Call-Option upon which LTC is entitled to acquire and Outokumpu is entitled to sell its remaining 5 percent share in Shanghai Krupp Stainless Co., Ltd. (SKS). The option will be exercised and the deal completed within the coming months, subject to regulatory approvals and other customary conditions.

Outokumpu records the divestment in the fourth quarter of 2015 with an estimated value of EUR 62 million. Earlier, in December 2015, Outokumpu completed the divestment of its 55 percent share in SKS. In total Outokumpu has recorded a non-recurring capital gain of EUR 389 million (net of taxes) for the sale of the entire 60% share in SKS in the 2015 financial statements.

In parallel, the Board of Directors of SKS have made a decision to stop the operations of SKS due to ongoing losses and extreme pressure in commodity stainless steel products in China.

Jan Hofmann, Head of Outokumpu APAC and member of the SKS Board of Directors: "On behalf of the Board of Directors of SKS, I would like to express our sincerest gratitude to the talented and committed employees of SKS. We acknowledge and regret the pain that the end of operations brings."

The operations are expected to stop immediately.

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Outokumpu Group

Outokumpu is a global leader in stainless steel. We create advanced materials that are efficient, long lasting and recyclable – thus building a world that lasts forever. Stainless steel, invented a century ago, is an ideal material to create lasting solutions in demanding applications from cutlery to bridges, energy and medical equipment: it is 100% recyclable, corrosion-resistant, maintenance-free, durable and hygienic. Outokumpu employs more than 12 000 professionals in more than 30 countries, with headquarters in Espoo, Finland and shares listed in Nasdaq Helsinki.

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