OUTOKUMPU'S THIRD QUARTER 2012 – CONTINUED POSITIVE CASH FLOW BUT UNSATISFACTORY PROFITABILITY IN A CHALLENGING ENVIRONMENT

Third-quarter 2012 highlights

- Underlying operational result was EUR -57 million (II/2012: EUR -39 million)
- Operating loss was EUR 89 million (II/2012: EUR -80 million) including raw material-related inventory losses of some EUR 18 million (II/2012: EUR -8 million) and net non-recurring items totalling EUR -14 million (II/2012: EUR -33 million)
- Operating loss excluding non-recurring items was EUR 75 million (II/2012: EUR -47 million)
- Positive operating cash flow of EUR 83 million (II/2012: EUR 23 million)
- Total external deliveries at 325 000 tonnes (II/2012: 402 000 tonnes)
- Outokumpu maintained its membership in the World Dow Jones Sustainability Index (DJSI) for the sixth consecutive year
- Ferrochrome expansion project to be finalised ahead of schedule and below budget

- In connection with the Inoxum transaction, Outokumpu submitted a binding remedy commitment in October to ensure the approval of the transaction. Despite the remedy commitment, the company expects to achieve annual synergy savings of approximately EUR 200 million.

Group key figures

		III/12	II/12	III/11	2011
Sales	EUR million	**974**	1 254	1 231	5 009
EBITDA	EUR million	**-32**	-12	4	80
Adjusted EBITDA [1)]	EUR million	**0**	19	42	169
Operating result	EUR million	**-89**	-80	-53	-260
excluding non-recurring items	EUR million	**-75**	-47	-53	-109
underlying operational result [2)]	EUR million	**-57**	-39	-15	-66
Result before taxes	EUR million	**-132**	-130	-157	-253
excluding non-recurring items	EUR million	**-117**	-97	-157	-318
Net result for the period	EUR million	**-116**	-122	-135	-186
excluding non-recurring items	EUR million	**-101**	-89	-135	-244
Earnings per share [3)]	EUR	**-0.08**	-0.09	-0.48	-0.64
excluding non-recurring items [3)]	EUR	**-0.07**	-0.06	-0.48	-0.85
Return on capital employed	%	**-9.8**	-8.6	-5.3	-6.5
excluding non-recurring items	%	**-8.2**	-5.0	-5.3	-2.7
Net cash generated from operating activities	EUR million	**83**	23	282	338
Capital expenditure	EUR million	**98**	93	67	255
Net interest-bearing debt at the end of period [4)]	EUR million	**1 714**	1 691	1 730	1 720
Debt-to-equity ratio at the end of period [4)]	%	**90.8**	84.8	79.7	82.5
External deliveries	1 000 tonnes	**325**	402	355	1 449
Stainless steel external deliveries	1 000 tonnes	**311**	380	340	1 391
Stainless steel base price [5)]	EUR/tonne	**1 155**	1 182	1 150	1 181
Personnel at the end of period		**7 366**	8 453	8 421	8 253

[1)] EBITDA excluding raw material-related inventory gains/losses and non-recurring items, unaudited.

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

[3)] Calculated based on the rights-issue-adjusted weighted average number of shares. Comparative figures adjusted accordingly.

[4)] 30 September 2012 and 30 June 2012 adjusted to exclude the effect of the rights issue. Debt-to-equity ratio, including the effect of the rights issue, on 30 September 2012 is 25.9% (30 June 2012: 24.1%).

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

Raw material-related inventory gains or losses
The realised timing gain or loss per tonne of stainless steel is estimated based on the difference between the purchase price and invoice price of each metal in EUR per tonne times the average metal content in stainless steel. The unrealised timing impact consists of the change in net realisable value – NRV during each quarter. If there is a significant negative change in metal prices during the quarter, inventories are written down to NRV at the end of the period to reflect lower expected transaction prices for stainless steel in the future. As this timing impact is expected to be realised in the cash flow of Outokumpu only after the raw material has been sold, it is referred to as being unrealised at the time of the booking.

SHORT-TERM OUTLOOK *)

Demand for stainless steel is expected to grow slightly in the fourth quarter as a result of normal seasonality. No visible recovery among investment-driven end-use segments has taken place and distributor inventories are currently estimated to be below normal levels.

Outokumpu's average base prices for stainless steel in the fourth quarter are expected to be approximately at the same level as in third quarter. Outokumpu's fourth-quarter external delivery volumes (stainless and ferrochrome) are expected to be at the same level or slightly higher than in the third quarter.

Outokumpu's underlying operational result**) is expected to be approximately at the same level as or slightly weaker than in the third quarter. At current metal prices, no significant raw material related timing impact is expected. Outokumpu's operating result in the fourth quarter could be impacted by non-recurring items associated with the Inoxum transaction and the Group's on-going cost-cutting programmes.

*) Short-term outlook for current standalone Outokumpu. In the event that the combined entity would start operations before 31 December 2012, Outokumpu will publish its results for the quarter ending 31 December consolidating Inoxum into Outokumpu from the closing date to year-end (31 December 2012).

**) Underlying operational result=operating result excluding raw material-related inventory gains/losses and non-recurring items.

CEO Mika Seitovirta:

"Outokumpu's third quarter developed in-line with our expectations with profitability remaining at unsatisfactory levels. The beginning of the quarter was seasonally slow but customer activity picked up in September. Seasonality and continued economic and nickel price weakness resulted in lower volumes and prices for the quarter. The oil and gas customer segment was one of the few customer segments in which we continued to see solid activity. Most other end-use segments were affected by the weak economy, especially in Europe.

We continued to implement our on-going cost-cutting and working capital programmes to manage our financials in this challenging environment. We were very happy to see the fifth consecutive quarter of positive operational cash flow – EUR 83 million for the quarter – as well as continuing reductions in our fixed costs. We expect to see the full effect of the Group's EUR 100 million cost-savings programme from the beginning of 2013.

We made good progress in the ferrochrome expansion project and we expect to be able to finalise the project ahead of schedule with EUR 30 million lower capital expenditure than originally planned – a great achievement from the project team. We plan to start ramp-up of the new ferrochrome smelter in Tornio during the fourth quarter.

In October we filed a binding remedy commitment in connection with the Inoxum transaction and we expect the European Commission to make its decision regarding the transaction by 16 November. We expect to be able to finalise the transaction by end of 2012. Despite the remedy, the strategic importance of the transaction remains unchanged and we expect to achieve annual synergy savings of approximately EUR 200 million. I am very excited to start the implementation of the much-needed structural change and creating the new global leader in stainless steel."

The attachments present the Management analysis for the third quarter 2012 operating result and the Interim Review by the Board of Directors for January–September 2012, the accounts and notes to the interim accounts. The report is unaudited.

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News conference and live webcast today at 1.00 pm EET

A combined news conference, conference call and live webcast concerning the third-quarter 2012 financial results will be held on 24 October 2012 at 1.00 pm EET (6.00 am US EST, 11.00 am UK time, 12.00 pm CET) at restaurant Bank, conference rooms 12–14, address Unioninkatu 20, 00130 Helsinki.

To participate via a conference call, please dial in 5-10 minutes before the beginning of the event:

UK	+44 1452 555 131
US & Canada	+1 866 6828 490
Sweden	+46 8 5063 0779
Reference	Outokumpu Q3 webcast

The news conference can be viewed live via Internet. Please find a direct link to the webcast at the end of this announcement.

The stock exchange release and presentation material will be available before the news conference at www.outokumpu.com/Investors.

An on-demand webcast of the news conference will be available as of 24 October 2012 at around 3.00 pm EET at http://www.outokumpu.com/en/Investors/Pages/Webcasts.aspx.

Link to the webcast

OUTOKUMPU OYJ
Corporate Management

MANAGEMENT ANALYSIS – THIRD QUARTER OPERATING RESULT

Group key figures

EUR million	I/11	II/11	III/11	I-III/11	IV/11	2011	I/12	II/12	**III/12**	**I-III/12**
Sales										
General Stainless	892	800	770	2 462	688	3 150	767	757	**610**	**2 133**
Specialty Stainless	597	611	511	1 719	497	2 216	564	499	**390**	**1 453**
Ferrochrome	65	54	56	175	53	228	66	51	**53**	**170**
Other operations	165	172	185	522	180	702	158	164	**110**	**432**
Intra-group sales	-349	-356	-290	-995	-292	-1 286	-250	-216	**-189**	**-654**
The Group	1 371	1 281	1 231	3 884	1 125	5 009	1 304	1 254	**974**	**3 533**
EBITDA	93	-4	4	93	-13	80	60	-12	**-32**	**16**
Adjusted EBITDA [1)]	48	55	42	145	24	169	59	19	**0**	**78**
Operating result	33	-169	-53	-189	-71	-260	3	-80	**-89**	**-167**
Underlying operational result [2)]	-12	-5	-15	-32	-34	-66	2	-39	**-57**	**-94**
Non-recurring items in operating result	-	-138	-	-138	-13	-151	-13	-33	**-14**	**-60**

[1)] EBITDA excluding raw material-related inventory gains/losses and non-recurring items, unaudited.

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

External Deliveries

1 000 tonnes	I/11	II/11	III/11	I-III/11	IV/11	2011	I/12	II/12	**III/12**	**I-III/12**
Cold rolled	201	179	187	567	172	740	212	181	**163**	**556**
White hot strip	85	76	76	237	72	309	94	82	**69**	**244**
Quarto plate	28	29	26	82	23	106	26	23	**21**	**69**
Long products	18	14	15	48	13	60	16	16	**14**	**46**
Semi-finished products	49	54	40	143	44	187	56	88	**50**	**194**
Stainless steel [3)]	34	37	25	96	33	129	37	67	**36**	**140**
Ferrochrome	15	17	15	47	11	58	19	21	**14**	**54**
Tubular products	13	13	11	37	11	48	14	12	**9**	**35**
Total external deliveries	395	365	355	1 115	334	1 449	418	402	**325**	**1 145**
Stainless steel external deliveries	380	348	340	1 068	323	1 391	399	380	**311**	**1 091**

[3)] Black hot rolled, slabs, billets and other stainless steel products

Market prices and exchange rates

		I/11	II/11	III/11	IV/11	2011	I/12	II/12	**III/12**
Market prices [4)]									
Stainless steel									
Base price	EUR/t	1 215	1 223	1 150	1 137	1 181	1 185	1 182	**1 155**
Alloy surcharge	EUR/t	1 900	1 839	1 601	1 418	1 690	1 466	1 434	**1 370**
Transaction price	EUR/t	3 115	3 063	2 751	2 555	2 871	2 651	2 616	**2 525**
Nickel	USD/t	26 903	24 298	22 069	18 307	22 894	19 651	17 146	**16 319**
	EUR/t	19 666	16 884	15 614	13 582	16 440	14 991	13 385	**12 741**
Ferrochrome (Cr-content)	USD/lb	1.25	1.35	1.20	1.20	1.25	1.15	1.35	**1.25**
	EUR/kg	2.01	2.07	1.88	1.96	1.98	1.93	2.32	**2.20**
Molybdenum	USD/lb	17.43	16.70	14.61	13.41	15.53	14.26	13.80	**11.87**
	EUR/kg	28.08	25.58	22.86	21.94	24.62	23.97	23.72	**20.93**
Recycled steel	USD/t	447	432	439	402	430	414	394	**362**
	EUR/t	327	300	311	298	309	316	308	**283**
Exchange rates									
EUR/USD		1.368	1.439	1.413	1.348	1.392	1.311	1.281	**1.250**
EUR/SEK		8.864	9.015	9.145	9.091	9.030	8.853	8.913	**8.435**
EUR/GBP		0.854	0.883	0.878	0.857	0.868	0.835	0.810	**0.792**

[4)] Sources of market prices:
Stainless steel: CRU - German base price, alloy surcharge and transaction price (2 mm cold rolled 304 sheet), estimates for deliveries during the period;
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

Stainless steel markets

Stainless steel markets remained soft in the third quarter. Weak demand was a result of normal summer seasonality, the declining nickel price and continued general global economic uncertainty. Distributors were hesitant about placing orders and stock levels remained at low levels throughout the quarter. Compared to the second quarter, apparent consumption of flat products in the third quarter is estimated to have decreased by 4% globally and by 10% in Europe. In China, apparent consumption was down by 1%.

According to CRU, the average base price for 2mm cold rolled 304 stainless steel sheet in Germany declined to 1 155 EUR/tonne in the third quarter (II/2012: 1 182 EUR/tonne). The alloy surcharge declined to 1 370 EUR/tonne (II/2012: 1 434 EUR/tonne), primarily as a result of the decline in metal prices. The average transaction price during the third quarter decreased to 2 525 EUR/tonne (II/2012: 2 616 EUR/tonne). Compared to the second quarter, the differential between Chinese and European transaction prices increased somewhat in the third quarter. (CRU)

The prices of alloying metals were on a downward trend in the third quarter. The average nickel price in the third quarter was 16 319 USD/tonne (II/2012: 17 146 USD/tonne), 5% lower than in the second quarter. The quarterly contract price for ferrochrome in the third quarter was 1.25 USD/lb (II/2012: 1.35 USD/lb) and was settled at 1.10 USD/lb for the fourth quarter of 2012. The price of molybdenum in the third quarter averaged 11.87 USD/lb (II/2012: 13.80 USD/lb) and the price of recycled steel averaged 362 USD/tonne (II/2012: 394 USD/tonne) in the third quarter.

Operational results negative, continued positive cash flow

Group sales in the third quarter totalled EUR 974 million (II/2012: EUR 1 254 million), 22% down on the second quarter. Weaker demand and annual maintenance breaks at Group mills resulted in Outokumpu's external deliveries declining by 19% to 325 000 tonnes (II/2012: 402 000 tonnes) of which stainless steel deliveries totalled 311 000 tonnes (II/2012: 380 000 tonnes). External ferrochrome deliveries totalled 14 000 tonnes (II/2012: 21 000 tonnes).

Outokumpu's underlying operational result in the third quarter was EUR -57 million (II/2012: EUR -39 million). The positive effects resulting from lower production costs and a better product mix compared to the second quarter were offset by lower delivery volumes and lower prices. Certain maintenance break related issues at the Group's ferrochrome operations in Tornio resulted in some short production stoppages in the third quarter.

Outokumpu's operating loss in the third quarter totalled EUR 89 million (II/2012: EUR -80 million) and included some EUR 18 million of raw material-related inventory losses resulting from lower metal prices (II/2012: EUR -8 million) as well as EUR -14 million of non-recurring items (II/2012: EUR -33 million). Non-recurring items incurred in the third quarter of 2012 consist of EUR 12 million of costs connected with the Inoxum acquisition and EUR 3 million of costs connected with the on-going cost-savings programme. Excluding non-recurring items, the Group's operating loss in the third quarter totalled EUR 75 million (II/2012: EUR -47 million).

Outokumpu's average base prices for all flat products realised in the third quarter were approximately 50 EUR/tonne lower than in the in the second quarter of 2012, and below the base prices reported by CRU for German 304 sheet.

Net financial income and expenses in the third quarter totalled EUR -42 million (II/2012: EUR -50 million). This figure includes a negative impact of EUR 9 million (II/2012: EUR -34 million) resulting from the fair valuation of Outokumpu's remaining 16% stake in Talvivaara Sotkamo Ltd – a consequence of the decrease in the share price of Talvivaara Mining Company Plc in the third quarter.

The Group's net loss in the third quarter totalled EUR 116 million (II/2012: EUR -122 million) and earnings per share totalled EUR -0.08 (II/2012: EUR -0.09). Excluding non-recurring items, earnings per share totalled EUR -0.07 (II/2012: EUR -0.06). Return on capital employed in the third quarter was -9.8% (II/2012: -8.6%). Excluding non-recurring items, return on capital employed was -8.2% (II/2012: -5.0%).

Net cash from operating activities in the third quarter totalled EUR 83 million (II/2012: EUR 23 million) and remained positive for the fifth consecutive quarter. The main contributor to the Group's good cash flow was further reductions in levels of working capital. A total of EUR 156 million was released from working capital in the third quarter (II/2012: EUR 74 million).

Excluding proceeds from the rights offering, Outokumpu's gearing was 90.8% (II/2012: 84.8%) at the end of the third quarter, above Outokumpu's maximum target level of 75%. Excluding proceeds from the rights offering, net interest-bearing debt increased to EUR 1 714 million (II/2012: EUR 1 691 million). Including proceeds from the rights offering, gearing was 25.9% (II/2012: 24.1%) at the end of the third quarter. Costs of EUR 2 million (II/2012: EUR 29 million) connected with the rights offering were booked to equity in the third quarter.

Capital expenditure and investment projects

Capital expenditure in the third quarter totalled EUR 98 million (II/2012: EUR 93 million) with the majority of costs being connected with the Group's project to expand ferrochrome production capacity at Tornio in Finland. In addition to continued construction and installation work, the ramp-up of production at the new concentration plant in Kemi was initiated and proceeded, and the ramp-up at the sintering plant in Tornio was started. Raw material from existing inventories was used in the Group's ferrochrome production in the third quarter. The investment project is proceeding ahead of schedule and total capital expenditure is expected to be around EUR 410 million, below the initial estimate of EUR 440 million.

Turnaround of loss-making units is progressing as planned

Actions to return Outokumpu's precision strip mill in Kloster in Sweden to sustainable profitability continued in the third quarter. The mill operated at lower production levels and continued to optimise both the product mix and material flows and focused on maintaining reduced cost levels. Further price increases were implemented in the third quarter. The operating loss at the Kloster thin strip unit in the third quarter totalled EUR 3 million (II/2012: EUR -2 million).

Restructuring actions at OSTP (the Outokumpu tubular operations' joint venture) continued in the third quarter. Cost savings will have a gradual impact throughout 2012 with full effect expected from the beginning of 2013. As a result of seasonally lower volumes, OSTP reported an operating loss of EUR 2 million (II/2012: profit of EUR 0 million) in the third quarter.

On-going cost-cutting and working capital reduction programmes

Initiated in October 2011, actions to reach sustainable profitability, improve cash generation and strengthen the balance sheet continue to be implemented. Compared to the situation in June 2011, Group targets include reducing annual costs by EUR 100 million by the end of 2012 (the P100 cost-savings programme) and reducing the amount of working capital tied up in inventories by EUR 250 million by mid-2013 (the P250 working capital reduction programme) with focus also on accounts payables and accounts receivables.

Further progress in Outokumpu's cost-reduction programme was achieved in the third quarter as planned.

In September, the statutory negotiations initiated within General Stainless in June were concluded. These negotiations concerned certain functions at Tornio in Finland and at the Group's Terneuzen unit in The Netherlands and resulted in some 100 job reductions taking place. The initially planned job reductions were 150–200; but the targeted cost savings were achieved through a combination of job reductions and alternative cost-reduction measures. Non-recurring costs of some EUR 3 million related to these job reductions were booked in the Groups' third-quarter 2012 accounts.

The *P100* cost-savings are showing a gradual impact throughout 2012 with full effects expected from the beginning of 2013. Actions already taken and negotiations carried out are expected to result in a reduction of close to 1 300 jobs in global terms by the end of 2012.

The *P250* working capital reduction programme is progressing extremely well. The target of reducing inventory days in the Group's supply chain to a figure close to 90 days was achieved in the first quarter of 2012 and was maintained in the second quarter. In the third quarter, which was seasonally weaker, inventory days increased slightly and were close to 100 days. Outokumpu's target is to maintain the reduced level of inventory days achieved and maintained in the first half of 2012. The increase in inventory days in the third quarter is expected to be temporary and the target level is expected to be achieved in the fourth quarter. Some EUR 500 million of cash has been released from inventory-related working capital since June 2011 and some EUR 800 million of cash has been released from working capital when including accounts payables and accounts receivables.

An agreement to divest part of the Group's stock operations in Europe was signed in July with Amari, a privately owned group of companies focusing on multi-metal distribution. The transaction was completed in September. With this transaction, 10 of the Group's stock operations in nine countries were transferred to Amari, thereby halving the number of the Group's own stock locations. Furthermore, approximately 100 Outokumpu employees transferred to Amari in conjunction with the transaction. In connection to the transaction, Outokumpu booked a non-recurring impairment of EUR 10 million in the second quarter accounts. The final cash consideration, subject to closing accounts, is estimated to be approximately EUR 16 million.

Other events during the third quarter 2012

In September, Outokumpu announced cooperation with Phinx, a Chinese fabricator, to produce the first-ever prototype of a duplex water heater tank. The use of high- strength, low-weight duplex stainless steel that results in considerable material savings and the greater corrosion resistance allows for the longest service life of all types of domestic water heater tanks.

In September, Outokumpu's strong sustainability performance was recognised once again in the 2012 Dow Jones Sustainability Indexes (DJSI). This is the sixth consecutive year Outokumpu has maintained its membership in the DJSI World. In the 2012 review Outokumpu is among the four best steel companies worldwide included in the DJSI World index. Outokumpu was given particular recognition for the Group's environmental work and received the highest possible points in Climate Strategy, Environmental Policy and Management Systems. Further details can be found in the section titled *"People and the environment"* in the *"Interim review by the Board of Directors – January-September 2012"* section of this interim report.

Events after the end of the review period

Outokumpu submitted a binding remedy commitment related to the Inoxum transaction

Following the European Commission's demand for an industrial remedy related to the Inoxum transaction, Outokumpu submitted two alternative remedy proposals, announced on 20 September and

1 October 2012. After the rejection of the Swedish remedy by the European Commission , Outokumpu submitted a binding remedy commitment to ensure the approval of the Inoxum transaction in October.

As a binding remedy Outokumpu commits to the divestiture of the Inoxum stainless steel mill in Terni, Italy, and select European service centres. The remedy commitment excludes the Tubificio di Terni tube manufacturing unit. Outokumpu expects the Inoxum transaction to result in significant synergy savings. Despite the divestiture of the Terni operations, the company estimates to reach annual synergy savings of approximately 200 million euros. The European Commission is expected to make their decision regarding the Inoxum transaction by 16 November 2012. Outokumpu remains fully committed to the Inoxum transaction and targets to finalise it by the end of 2012.

Outokumpu's Nomination Board meeting held

The Nomination Board assigned to prepare proposals on the composition of the Board of Directors along with director remuneration for the Annual General Meeting 2013 held its first meeting on 3 October 2012.

The Nomination Board consists of the representatives of Outokumpu's four largest shareholders, registered in the Finnish book-entry securities system on 1 October, who accept the assignment. Additionally the Chairman of the Outokumpu Board of Directors serves as an expert member in the Nomination Board.

The Nomination Board of Outokumpu for the Annual General Meeting 2013 consists of the following four shareholders: Solidium Oy, The Social Insurance Institution of Finland, Ilmarinen Mutual Pension Insurance Company and Varma Mutual Pension Insurance Company. These shareholders have nominated the following persons as their representatives: Kari Järvinen (CEO, Solidium Oy); Liisa Hyssälä (Director General, The Finnish Social Insurance Institution); Harri Sailas (CEO, Ilmarinen Mutual Pension Insurance Company) and Risto Murto (Executive Vice-President, Varma Mutual Pension Insurance Company). The Chairman of the Outokumpu Board of Directors Ole Johansson serves as an expert member. At its first meeting the Nomination Board elected Kari Järvinen as the Chairman to the Nomination Board.

The Nomination Board is required to submit its proposals to Outokumpu's Board of Directors on 31 January 2013 at the latest.

INTERIM REVIEW BY THE BOARD OF DIRECTORS – JANUARY-SEPTEMBER 2012

Weaker markets after the strong first quarter as macroeconomic uncertainty continues

Demand for stainless steel improved during the first quarter but softened during the second quarter as a result of the decreasing nickel price and the approaching summer season. After the summer break in Europe, demand weakened further as the nickel price continued to decrease and the macroeconomic uncertainty especially in Europe continued.

Compared to the first nine months of 2011, apparent global consumption of stainless steel in the first nine months of 2012 is estimated to have been up by 1%, mainly driven by a 5% growth in consumption in China. Reflecting the continued economic uncertainty, consumption in Europe is estimated to have been down by 4%.

In the first nine months of 2012, the average base price for 2mm cold rolled 304 stainless steel sheet in Germany was 1 174 EUR/tonne (I-III/2011: 1 196 EUR/tonne). The average transaction price during the review period was 2 597 EUR/tonne (I-III/2011: 2 976 EUR/tonne). (CRU)

Prices for all alloying elements during January–September 2012 were clearly lower than in the corresponding period in 2011. The nickel price averaged 17 697 USD/tonne in the first nine months of 2012 (I-III/2011: 24 423 USD/tonne), 28% lower than in the corresponding period in the previous year. The quarterly contract price for ferrochrome in the first nine months of 2012 averaged 1.25 USD/lb (I-III/2011: 1.27 USD/lb), the average price of molybdenum was 11.88 USD/lb (I-III/2011: 16.25 USD/lb) and the price of recycled steel was 392 USD/tonne (I-III/2011: 436 USD/tonne).

Underlying profitability weaker

Compared to the first nine months of 2011, Group sales in the first nine months of 2012 were down by 9% to EUR 3 533 million (I-III/2011: EUR 3 884 million) driven by lower transaction prices. Total external deliveries in the first nine months of 2012 were up by 3% and totalled 1 145 000 tonnes (I-III/2011: 1 115 000 tonnes). Stainless steel deliveries totalled 1 091 000 tonnes (I-III/2011: 1 068 000 tonnes), up by 2%.

The underlying operational result in the first nine months of 2012 was weaker compared to 2011 and totalled EUR -94 million (I-III/2011: EUR -32 million). Compared to the first nine months of 2011, the positive impact of reduced cost levels achieved in the corresponding period of 2012 did not offset the negative impact on profitability resulting from lower base prices, a weaker product and geographic mix and weaker profitability in the Group's ferrochrome operations.

Group operating loss was EUR 167 million (I-III/2011: EUR -189 million) and include some EUR 12 million of raw material-related inventory losses (I-III/2011: EUR -19 million) as well as EUR -60 million of non-recurring items (I-III/2011: EUR -138 million). Non-recurring items in the first nine months of 2012 include EUR 29 million of costs connected with the Inoxum acquisition, EUR 18 million of losses associated with the divestment of Outokumpu's Brass operations, impairments of EUR 10 million from the divestment of stock locations and EUR 3 million of costs connected with the on-going cost-savings programme. Non-recurring items in the first nine months of 2011 totalled EUR -138 million and included impairments of EUR 125 million related to the Kloster thin strip and OSTP operations and EUR 13 million of restructuring provisions. Excluding non-recurring items, operating loss for the first nine months of 2012 totalled EUR 106 million (I-III/2011: EUR -51 million).

Net financial income and expenses in the first nine months of 2012 totalled EUR -88 million (I-III/2011: EUR 74 million). This figure includes the negative impact of EUR 23 million resulting from the fair valuation of Outokumpu's remaining 16% stake in Talvivaara Sotkamo Ltd as a result of the decline in the Talvivaara share price in the first nine months of 2012. In June 2011, Outokumpu granted an option to Talvivaara Mining Company Plc to purchase the Group's remaining 16% stake. The option was not taken up and expired at the end of the first quarter of 2012. Loss before taxes totalled EUR 255 million (I-III/2011: EUR -119 million).

Net loss for the review period totalled EUR 226 million (I-III/2011: EUR -68 million) and earnings per share totalled EUR -0.22 (I-III/2011: EUR -0.24). Return on capital employed in the first nine months of 2012 was -6.0% (I-III/2011: -6.2%).

Operating cash flow

Net cash generated from operating activities in the first nine months of 2012 was positive at EUR 222 million (I-III/2011: EUR 206 million). Excluding proceeds from the rights offering, net interest-bearing debt at the end of September 2012 totalled EUR 1 714 million, a reduction of EUR 16 million compared to the end of September 2011 (30 September 2011: EUR 1 730 million). Excluding the proceeds from the rights offering, Outokumpu's gearing was 90.8% on 30 September 2012 (30 September 2011: 79.7%), above the Group's target maximum of 75%. Net proceeds totalling EUR 973 million from the EUR 1 billion rights offering conducted in March-April were booked in the first nine months of 2012. Costs of EUR 34 million connected with the rights offering were booked in equity. Including proceeds from the rights offering, Outokumpu's gearing on 30 September 2012 was 25.9%.

Capital expenditure and investment projects

In addition to annual maintenance capital expenditure, the Groups' on-going major investment projects are: the expansion of ferrochrome production at Kemi and Tornio in Finland and increased quarto plate production capability and capacity at Degerfors in Sweden.

Capital expenditure by Outokumpu in the first nine months of 2012 totalled EUR 270 million (I-III/2011: EUR 159 million) with the majority of costs associated with the Group's project to expand ferrochrome production capacity at Tornio in Finland. In 2012, Outokumpu's capital expenditure including maintenance investments is expected to be close to EUR 350 million. The increase in full-year capital expenditure is connected with the ferrochrome production expansion project proceeding ahead of schedule. The ferrochrome investment project will be largely finalised by end of 2012 with only some EUR 15-20 million of capital expenditure remaining for 2013. The investment in increased quarto plate production capability and capacity at Degerfors in Sweden progressed as planned and on budget in the first nine months of 2012.

On-going cost-cutting and working capital reduction programmes

Initiated in October 2011, actions to reach sustainable profitability, improve cash generation and strengthen the balance sheet continue to be implemented. Compared to the situation in June 2011, the Group's targets are to cut annual costs by EUR 100 million by the end of 2012 (P100) and to reduce the amount of working capital tied up in inventories by EUR 250 million by mid-2013 (P250) with focus also on accounts payables and accounts receivables.

Further progress in the cost-cutting programme was achieved in the first nine months of 2012. Measures taken include a reduction of production shifts, streamlining of Outokumpu's organisation, divestment of part of the Group's stock locations and the outsourcing of some support functions. P100 cost savings are showing a gradual impact throughout the year 2012 with full effects expected from the beginning of 2013. Compared to the situation in June 2011, actions already taken and negotiations and carried out are expected to result in a reduction of close to 1 300 jobs in global terms by the end of 2012.

In June, Outokumpu sold its brass-rod plant in Drünen in the Netherlands, the last of the Group's brass operations. Both the consideration received and the impact on cash flow resulting from this transaction were marginal and a loss of approximately EUR 18 million was booked in the Group's second quarter accounts.

Outokumpu's P250 programme aiming to reduce the levels of working capital is progressing extremely well. The target of reducing inventory days in the Group's supply chain to a figure close to 90 days was achieved in the first quarter of 2012 and was maintained in the second quarter. In the third quarter, which was seasonally weaker, inventory days increased slightly and were close to 100. Outokumpu's target is to maintain the reduced level of inventory days. The increase in the third quarter is expected to be temporary and the target level of inventory days is expected to be achieved in the fourth quarter. Some EUR 500 million of cash has been released from inventory-related working capital since June 2011 and some EUR 800 million of cash has been released from working capital when including accounts payables and accounts receivables.

In July, an agreement to divest part of the Group's stock operations in Europe was signed with Amari, a privately owned group of companies focusing on multi-metal distribution. The transaction was completed in September. With this transaction, 10 of the Group's stock operations in nine countries were transferred to Amari, thereby halving the number of the Group's own stock locations. Furthermore, approximately 100 Outokumpu employees transferred to Amari in conjunction with the transaction. In connection to the transaction, Outokumpu booked a non-recurring impairment of EUR 10 million in the second quarter accounts. The final cash consideration, subject to closing accounts, is estimated to be approximately EUR 16 million.

Outokumpu and Inoxum to create a new global leader in stainless steel

In January, the proposed combination of Outokumpu and Inoxum was approved by Outokumpu's Board of Directors. Operating under the Outokumpu name, the company will be a new global leader in stainless steel. The consideration for Inoxum comprises a cash payment, certain Inoxum liabilities, a loan note issued to ThyssenKrupp and new shares to be issued to ThyssenKrupp. ThyssenKrupp will hold a 29.9% stake in Outokumpu following a directed share issue at the closing of the transaction.

In April, Outokumpu announced preliminary plans concerning the new Outokumpu Leadership Team. These plans will take effect after regulatory approval for the combination of Outokumpu and Inoxum has been received and the transaction has been closed.

The proposed new Outokumpu Leadership Team would include the following individuals:
- Mika Seitovirta, CEO
- Esa Lager, CFO
- Ulrich Albrecht-Früh, Head of Stainless Coil EMEA
- Kari Parvento, Head of Stainless Coil Americas and head of Ferrochrome
- Jarmo Tonteri, Head of High Performance Stainless and Alloys
- Austin Lu, Head of Stainless APAC
- Reinhard Florey, Head of Strategy and Integration
- Kari Tuutti, Head of Marketing, Communications and IR
- Pii Kotilainen, Head of HR (acting)

Until completion of the transaction, Outokumpu and Inoxum will continue to operate as separate and independent business operations and the current Outokumpu Group Executive Committee members continue to operate with full authority in their current roles.

Filing to the European Commission for regulatory approval of the Inoxum acquisition was made in April and, as expected, the approval process entered into Phase II at the end of May.

In October Outokumpu submitted a binding remedy commitment related to the Inoxum transaction to ensure the approval of the Inoxum transaction. Further details can be found in the section titled *"Outokumpu submitted a binding remedy commitment related to the Inoxum transaction"* in the *"Events after the end of the review period"* section of this interim report.

Extraordinary General Meeting in March 2012

In connection with the Inoxum acquisition, an Extraordinary General Meeting (EGM) was held in Helsinki on 1 March 2012. The EGM authorised the Board of Directors to decide on both a share issue and a directed share issue.

The EGM authorised the Board of Directors to decide to issue a maximum of 5 000 000 000 new shares through a share issue pursuant to shareholders' pre-emptive subscription right.

The EGM also authorised the Board of Directors to decide on a directed share issue to ThyssenKrupp AG. Pursuant to this authorisation, the Board of Directors is entitled to decide on the issuance of a maximum of 2 200 000 000 new shares in a manner such that ThyssenKrupp AG, or its order, is entitled to subscribe for new shares in deviation from shareholders' pre-emptive subscription right. ThyssenKrupp AG will consequently hold a maximum of 29.9% of Outokumpu's issued and outstanding shares after completion of the directed share issue. The authorisation for the directed share issue, subject to closing of the Inoxum transaction, remains in force until 31 December 2013 and does not revoke the share issue authorisation in connection with the rights offering.

EUR 1 billion rights offering successfully completed

In March-April, Outokumpu successfully conducted a fully underwritten rights offering as part of the consideration to be paid to ThyssenKrupp for Inoxum. Total gross proceeds amounted to approximately EUR 1 006 million. The subscription price was EUR 0.79 per share with every old share entitling the holder to subscribe for seven new shares. The subscription period ran from 15 March to 4 April 2012. The rights offering was oversubscribed by 22% and a total of 1 274 020 027 new shares were issued. No underwriting was utilised as the rights offering was oversubscribed. Following the rights offering, the total number of Outokumpu shares is 1 457 038 776.

New EUR 400 million revolving credit facility signed

In April, Outokumpu signed a EUR 400 million committed multicurrency revolving credit facility to cover the Group's working capital requirements. Available after completion of the Inoxum acquisition, this credit facility matures in June 2013 and includes a financial covenant based on gearing at a level of 115%. Following issuance of a EUR 150 million bond in June 2012, the amount of this revolving credit facility was reduced to EUR 250 million.

EUR 150 million 4-year bond issued

In June, a EUR 150 million 4-year bond with an annual coupon of 5.875% was issued by Outokumpu and listed on the NASDAQ OMX Helsinki exchange. This bond offering extends the maturity profile of the Group's loan portfolio and expands Outokumpu's investor base. The proceeds were used for refinancing and general corporate purposes.

People and the environment

Outokumpu's personnel headcount totalled 7 366 at the end of September 2012 (30 September 2011: 8 421) and averaged 8 039 during the first nine months of 2012 (I-III/2011: 8 769).

Lost-time injury rate (i.e. lost-time accidents per million working hours) in the third quarter deteriorated to 8.7 and was 7.4 (I-III/2011: 5.5) in the first nine months of 2012, and did not meet the Group's 2012 target of less than 4.0. No severe accidents occurred in the first nine months of 2012.

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

Emissions trading activities have been conducted in accordance with obligations, agreed procedures and the Group's financial risk policy. Emissions under the EU Emission Trading Scheme during the first nine months of 2012 totalled approximately 554 000 tonnes (I-III/2011: 610 000 tonnes). No external trading of emission allowances was carried out during the first nine months of 2012. Outokumpu's carbon dioxide allowances in the UK, Sweden and Finland are sufficient for the Group's planned production in 2012.

Outokumpu's strong sustainability performance was recognised once again in the 2012 Dow Jones Sustainability Index (DJSI). This is the sixth consecutive year that Outokumpu has maintained its membership in the DJSI World. In the 2012 review Outokumpu is among the four best steel companies worldwide included in the DJSI World index. Outokumpu's overall score improved from the previous year. Outokumpu was particularly recognised for its environmental work and received the highest possible points in Climate Strategy, Environmental Policy and Management Systems. Positive feedback was also received in the Occupational Health and Safety category where Outokumpu obtained the highest scores in the industry.

Risks and uncertainties

Outokumpu operates in accordance with the risk management policy approved by the Board of Directors. This policy defines the objectives, approaches and areas of responsibility in risk management activities. As well as supporting Outokumpu's strategy, risk management aims to identify, evaluate and mitigate risks from the perspective of shareholders, customers, suppliers, personnel, creditors and other stakeholders. Key risks are assessed and updated on a regular basis.

Strategic risks for Outokumpu are primarily associated with the Group's business portfolio and strategic decision making. Business risks are related to the economic outlook, to markets for stainless steel and to behaviour by customers, suppliers and competitors. Important risks currently faced by Outokumpu include: the Group's ability to implement its chosen strategy, structural overcapacity and weak markets for stainless steel; risks associated with continued economic downturn in Europe; business risks connected with special stainless steel products; Outokumpu's ability to expand the Group's business in growth markets and in the ferrochrome sector; adverse political actions affecting trade or changes that have an impact on environmental legislation; and the increased cost of inputs.

Operational risks include inadequate or failed internal processes, employee actions, systems, or events such as natural catastrophes and misconduct or crime. Key operational risks for Outokumpu are: a major fire or accident, IT dependence, a lack of harmonised business processes and information

systems; project implementation risks and personnel-related risks. No significant operational risks were realised during the third quarter.
Outokumpu is currently implementing cost reduction and restructuring programmes and is involved in two major investment projects. Failures or delays in these activities could have a negative impact on the implementation of Group strategy, the achievement of financial targets and a successful transition to sustainable profitability. Outokumpu manages the associated risks by investing dedicated resources in overall project management, support and monitoring activities.

Key financial risks for Outokumpu include changes in the price of nickel, molybdenum, electricity and fuels; currency risks associated with the euro; the Swedish krona and the US dollar; interest rate risks connected with the Swedish krona and the euro; risks related to Talvivaara and certain other equity prices; risks associated with a loan receivable from Luvata; other credit risks; limitations on financial flexibility and the risk of financial distress.

The acquisition of Inoxum, ThyssenKrupp's stainless steel business, was announced during the first quarter of 2012. Outokumpu is exposed to risks associated with Inoxum's financial and operational performance. Additional risks and uncertainties relate to the completion of the acquisition, the required approvals of the governmental authorities, which are condition precedent for the completion, subsequent business integration, and the implementation of actions required in achieving the anticipated synergy benefits. The Outokumpu share price has a significant impact on the total transaction value. Uncertainties related to implementation of the remedy commitments required by the European Commission and the recent weak performance of stainless steel markets have increased the financial risks to Outokumpu.

From the beginning of the third quarter, the nickel price continued to decrease until the end of July and remained rather stable until late August, when it began to rise. A higher nickel price may eventually lead to an increase in working capital. The continuing reduction in the value of the Group's stake in Talvivaara Sotkamo Ltd since second quarter had a negative impact on earnings. The European debt crisis is still a clear risk, with potential negative impacts on both European markets for stainless steel and the overall business environment in Europe, including loan and debt capital markets. These adverse developments may also begin to have an impact on Outokumpu's customers' payment behaviors and default rates.

Annual General Meeting 2012

The Annual General Meeting (AGM) was held on 14 March 2012 in Helsinki. In accordance with a proposal by the Board of Directors, the AGM decided that no dividend will be paid for the 2011 financial year.

The AGM authorised the Board of Directors to decide to repurchase the Group's own shares. The maximum number of shares to be repurchased is 18 000 000. The AGM also authorised the Board of Directors to decide on the issuance of shares as well as other special rights entitling to shares. The maximum number of new shares to be issued is 18 000 000 and the maximum number of treasury shares to be transferred is 18 000 000. These authorisations are valid until the end of the next AGM, but no longer than 31 May 2013. To date the authorisations have not been used.

The AGM decided that the number of Board members, including the Chairman and Vice Chairman, be seven. Ole Johansson, Olli Vaartimo, Elisabeth Nilsson and Siv Schalin were re-elected as members of the Board of Directors, and Iman Hill, Harri Kerminen and Heikki Malinen were elected as new members. The AGM re-elected Ole Johansson as Chairman and Olli Vaartimo as Vice Chairman of the Board. As a complementary measure, the AGM also decided that from the day following the completion of the Inoxum acquisition, the number of Board members would be eight and Guido Kerkhoff would be elected as the eighth Board member.

The AGM also resolved to establish a Nomination Board for an indefinite period to prepare proposals on the composition and remuneration of the Board of Directors for the next AGM. The AGM also adopted a charter for the Shareholders' Nomination Board.

At its first meeting, the Outokumpu Board of Directors appointed two permanent committees: the Board Audit Committee and the Board Remuneration Committee.

The Nomination Board for the Annual General Meeting 2013 had it first meeting in October 2012. Further details can be found in the section titled *"Outokumpu's Nomination Board meeting held"* in the *"Events after the end of the review period"* section of this interim report.

Customs investigation of exports to Russia by Outokumpu's Tornio site

In March 2007, Finnish Customs authorities initiated a criminal investigation into export practices to Russia by Outokumpu's Tornio site. It was suspected that a forwarding agency based in south-eastern Finland had prepared defective and/or forged invoices regarding the export of stainless steel to Russia.

The case involved charges against Outokumpu and five of its employees for alleged money laundering in connection with export practices to Russia and was heard at the District Court in March 2011. In a judgement released in June 2011, all the claims were dismissed and the Finnish State was ordered to pay a total of EUR 1.2 million in compensation. In August 2011, the State Prosecutor lodged an appeal against the District Court judgement. Legal proceedings in the Kouvola Court of Appeal were initiated in February 2012 and all charges against Outokumpu and its employees were dismissed in April 2012. In June 2012, Finland's state prosecutor filed a petition for leave to appeal to the Finnish Supreme Court.

Civil actions regarding the divested fabricated copper products business

In connection with the EU investigation into an industrial copper tubes cartel, completed in May 2009, Outokumpu has since 2004 been in the process of addressing several civil complaints raised against the company and its former fabricated copper products business. The last pending civil complaint in the USA, filed by Carrier Corporation in 2006 against Outokumpu Oyj and Outokumpu Copper Franklin, Inc. i.e. in the federal district court in Memphis, Tennessee, seeks an unstated amount of damages.

This complaint by Carrier Corporation alleges a world-wide price-fixing and market-allocation cartel with respect to copper tubing for air conditioning and heat exchangers and related applications (ACR Tube) for at least the period from 1989 to 2001. Following dismissal of the complaint in July 2007, Carrier subsequently filed an appeal. In March 2012, the United States Court of Appeals for the Sixth Circuit reversed the decision dismissing the complaint and referred the case to the United States District Court for the Western District of Tennessee. Outokumpu believes that the related allegations are groundless and intends to defend itself in these proceedings.

In 2010, certain companies in the Carrier Group brought a civil action in the UK courts against Outokumpu (and two other defendant groups). The claimants maintain that they suffered losses across Europe as a result of alleged cartel activities and are seeking recovery from the three main defendant groups either jointly or jointly and severally. The claimants' initial claim for alleged losses is some GBP 20 million excluding interest. Outokumpu challenged the jurisdiction of courts in England and Wales to hear the claim. The High Court of Justice, Chancery Division, rejected Outokumpu's application to contest jurisdiction. All defendants applied for permission to appeal to the Court of Appeal. In January 2012, the Court of Appeal granted permission to appeal. In March 2012, the Court announced that Carrier had reached a settlement with one defendant group. Details of this settlement have not been made public. The Court of Appeal hearing in connection with Outokumpu's application to contest the jurisdiction of UK courts took place in June 2012. In September 2012, the Court of Appeal has dismissed the appeals and Outokumpu together with another defendant filed an application for permission to appeal to Supreme Court. The proceedings will be in a stay until a decision on the applications for permission to appeal is made by the Supreme Court. Outokumpu believes that the allegations regarding damages caused by the alleged cartel activities are groundless and, if pursued, Outokumpu will defend itself in any proceedings.

No provisions have been booked by Outokumpu in connection with these claims.

In October, Outokumpu was served with a damages contribution claim related to old sanitary copper tube cartel. Further details can be found in the section titled *"Outokumpu was served with a damages contribution claim related to old sanitary copper tube cartel"* in the *"Events after the end of the review period"* section of this interim report.

Shares and shareholders

Information regarding shares and shareholders is updated daily on Outokumpu's Internet pages: http://www.outokumpu.com/en/Investors/Share-info/Shareholders/Pages/Shareholders.aspx.

Shareholders

%	30 Sept 2012
Finnish corporations	35.8
Finnish private households	19.6
Finnish public sector institutions	17.8
Foreign investors	17.2
Finnish financial and insurance institutions	7.7
Finnish non-profit organisations	1.9
Shareholders with over 5% of shares and voting rights	
Solidium Oy (owned by the Finnish State)	31.15
Ilmarinen Mutual Pension Insurance Company	6.19

Share information

		Jan–Sept 2012	Jan–Sept 2011
Fully paid share capital at the end of the period	EUR million	311.1	311.1
Number of shares at the end of the period [1)]		1 457 038 776	183 018 749
Average number of shares outstanding [2)]		1 014 295 233	181 967 773
Average number of shares outstanding, rights-issue-adjusted [2)]		1 048 469 369	280 522 582
Number of shares outstanding at the end of the period [1) 2)]		1 456 022 888	181 977 861
Number of treasury shares held at the end of the period		1 015 888	1 040 888
Share price at the end of the period [3)]	EUR	0.83	1.30
Average share price [3)]	EUR	1.06	2.58
Highest price during the period [3)]	EUR	2.10	3.78
Lowest price during the period [3)]	EUR	0.64	1.30
Market capitalisation at the end of period	EUR million	1 209	908
Share turnover [4)]	million shares	961.0	241.5
Value of shares traded [4)]	EUR million	1 527.0	2 379.7

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

[1)] The rights-issue-adjusted number of shares on 30 September 2011 is 281 579 021 shares of which 280 538 133 shares are outstanding.

[2)] The number of own shares repurchased is excluded. There are currently no programmes with diluting effect in place.

[3)] Comparative share prices adjusted regarding the effect of the rights issue.

[4)] January–September 2012 figures include the effect of share subsciption rights traded during 15–28 March 2012.

Events after the end of the review period

Outokumpu submitted a binding remedy commitment related to the Inoxum transaction

In October Outokumpu submitted a binding remedy commitment to ensure the approval of the Inoxum transaction. As a binding remedy Outokumpu commits to the divestiture of the Inoxum stainless steel mill in Terni, Italy, and select European service centres. The remedy commitment excludes the Tubificio di Terni tube manufacturing unit.

Outokumpu expects the Inoxum transaction to result in significant synergy savings. Despite the divestiture of the Terni operations, the company estimates to reach annual synergy savings of approximately 200 million euros. The European Commission is expected the make their decision regarding the Inoxum transaction by 16 November 2012. Outokumpu remains fully committed to the Inoxum transaction and targets to finalise it by the end of 2012.

New Outokumpu has a strong strategic platform to drive towards sustainable profitability:
- Transaction creates a new global leader in stainless steel with approximately 40% market share in Europe and 12% globally
- Transaction is expected to results in annual synergy savings of approximately EUR 200 million
- Transaction expands Outokumpu business outside Europe, both to the Americas and APAC.
- Transaction expands Outokumpu product portfolio and customer base
- Transaction brings the highly attractive High Performance Alloys to the Outokumpu business portfolio
- Outokumpu has a unique competitive advantage through its own chrome mine and ferrochrome production

Outokumpu’s Nomination Board meeting held

The Nomination Board assigned to prepare proposals on the composition of the Board of Directors along with director remuneration for the Annual General Meeting 2013 held its first meeting on 3 October 2012.

The Nomination Board consists of the representatives of Outokumpu's four largest shareholders, registered in the Finnish book-entry securities system on 1 October, who accept the assignment. Additionally the Chairman of the Outokumpu Board of Directors serves as an expert member in the Nomination Board.

The Nomination Board of Outokumpu for the Annual General Meeting 2013 consists of the following four shareholders: Solidium Oy, The Social Insurance Institution of Finland, Ilmarinen Mutual Pension Insurance Company and Varma Mutual Pension Insurance Company. These shareholders have nominated the following persons as their representatives: Kari Järvinen (CEO, Solidium Oy); Liisa Hyssälä (Director General, The Finnish Social Insurance Institution); Harri Sailas (CEO, Ilmarinen Mutual Pension Insurance Company) and Risto Murto (Executive Vice-President, Varma Mutual Pension Insurance Company). The Chairman of the Outokumpu Board of Directors Ole Johansson serves as an expert member. At its first meeting the Nomination Board elected Kari Järvinen as the Chairman to the Nomination Board.

The Nomination Board is required to submit its proposals to Outokumpu's Board of Directors on 31 January 2013 at the latest.

Outokumpu was served with a damages contribution claim related to old sanitary copper tube cartel

In October, Outokumpu was served with a damages contribution claim in the English court by Boliden AB and IMI (IMI Plc and IMI Kynoch Ltd), after Boliden AB and IMI were served claims on financial loss by the members of Travis Perkins Group. These claims are related to a 2004 ruling by the European Commission which concluded that a number of companies – among others Boliden, IMI, KME Group, Wieland Werke, Outokumpu and Outokumpu Copper Products (now Luvata) – were involved in price fixing and market sharing in the sanitary copper tube sector in Europe between June 1988 and March 2001.

Outokumpu will defend itself against this contribution claim and further potential contribution claims that may be served against it by other companies who where involved in the cartel activities relating to sanitary copper tubing in the UK. Outokumpu exited the copper fabrication business by divesting the majority of it in 2005 and the remainder in 2008.

SHORT-TERM OUTLOOK *)

Demand for stainless steel is expected to grow slightly in the fourth quarter as a result of normal seasonality. No visible recovery among investment-driven end-use segments has taken place and distributor inventories are currently estimated to be below normal levels.

Outokumpu's average base prices for stainless steel in the fourth quarter are expected to be approximately at the same level as in third quarter. Outokumpu's fourth-quarter external delivery volumes (stainless and ferrochrome) are expected to be at the same level or slightly higher than in the third quarter.

Outokumpu's underlying operational result**) is expected to be approximately at the same level as or slightly weaker than in the third quarter. At current metal prices, no significant raw material related timing impact is expected. Outokumpu's operating result in the fourth quarter could be impacted by non-recurring items associated with the Inoxum transaction and the Group's on-going cost-cutting programmes.

*) Short-term outlook for current standalone Outokumpu. In the event that the combined entity would start operations before 31 December 2012, Outokumpu will publish its results for the quarter ending 31 December consolidating Inoxum into Outokumpu from the closing date to year-end (31 December 2012).

**) Underlying operational result=operating result excluding raw material-related inventory gains/losses and non-recurring items.

In Espoo, 23 October 2012

Board of Directors

Outokumpu *is a global leader in stainless steel with the vision to be the undisputed number one. Customers in a wide range of industries use our stainless steel and services worldwide. Being fully recyclable, maintenance-free, as well as very strong and durable material, stainless steel is one of the key building blocks for sustainable future. Outokumpu employs some 7 000 people in more than 30 countries. The Group's head office is located in Espoo, Finland. Outokumpu is listed on the NASDAQ OMX Helsinki. www.outokumpu.com*

CONDENSED FINANCIAL STATEMENTS

Condensed statement of comprehensive income

Condensed income statement

EUR million	**July–Sept 2012**	April–June 2012	July–Sept 2011	**Jan–Sept 2012**	Jan–Sept 2011	Jan–Dec 2011
Sales	**974**	1 254	1 231	**3 533**	3 884	5 009
Cost of sales	**-1 008**	-1 235	-1 237	**-3 474**	-3 756	-4 882
Gross margin	**-34**	20	-6	**59**	128	127
Other operating income	**13**	3	16	**21**	16	47
Costs and expenses	**-67**	-74	-63	**-217**	-226	-321
Other operating expenses	**-2**	-28	0	**-30**	-107	-113
Operating result	**-89**	-80	-53	**-167**	-189	-260
Share of results in associated companies	**-0**	-0	-2	**-0**	-4	-5
Financial income and expenses						
Interest income	**3**	3	3	**9**	9	13
Interest expenses	**-21**	-18	-20	**-57**	-57	-77
Market price gains and losses	**-23**	-33	-82	**-35**	-94	-120
Other financial income	**0**	0	0	**1**	248	248
Other financial expenses	**-2**	-3	-3	**-7**	-32	-52
Result before taxes	**-132**	-130	-157	**-255**	-119	-253
Income taxes	**16**	8	22	**29**	51	67
Net result for the period	**-116**	-122	-135	**-226**	-68	-186
Attributable to:						
Equity holders of the Company	**-115**	-122	-134	**-226**	-68	-181
Non-controlling interests	**-1**	0	-0	**-0**	-1	-5
Earnings per share for result attributable to the equity holders of the Company (basic and diluted), EUR [1]	**-0.08**	-0.09	-0.48	**-0.22**	-0.24	-0.64

Consolidated statement of other comprehensive income

EUR million	**July–Sept 2012**	April–June 2012	July–Sept 2011	**Jan–Sept 2012**	Jan–Sept 2011	Jan–Dec 2011
Net result for the period	**-116**	-122	-135	**-226**	-68	-186
Other comprehensive income:						
Exchange differences on translating foreign operations	**-8**	18	10	**4**	-5	12
Available-for-sale financial assets						
Fair value changes during the period	**3**	-2	-3	**-2**	-20	-23
Reclassification adjustments from other comprehensive income to profit or loss	**-**	-	-	**-**	-65	-65
Income tax relating to available-for-sale financial assets	**-1**	1	1	**1**	10	11
Cash flow hedges						
Fair value changes during the period	**13**	3	-5	**19**	-16	-4
Reclassification adjustments from other comprehensive income to profit or loss	**-1**	-1	1	**-2**	0	1
Income tax relating to cash flow hedges	**3**	1	1	**9**	4	1
Share of other comprehensive income of associated companies	**-**	-	-	**-**	-2	-2
Other comprehensive income for the period, net of tax	**9**	20	4	**29**	-94	-68
Total comprehensive income for the period	**-107**	-102	-130	**-198**	-162	-255
Attributable to:						
Equity holders of the Company	**-106**	-102	-130	**-197**	-162	-249
Non-controlling interests	**-1**	0	-0	**-1**	-1	-5

[1] Calculated based on the rights-issue-adjusted weighted average number of shares. Comparative figures adjusted accordingly.

Condensed statement of financial position

EUR million	**30 Sept 2012**	30 June 2012	30 Sept 2011	31 Dec 2011
ASSETS				
Non-current assets				
Intangible assets	**531**	537	559	554
Property, plant and equipment	**2 135**	2 073	1 944	2 005
Loan receivables and other interest-bearing assets	**230**	229	230	230
Other receivables	**65**	63	60	61
Deferred tax assets	**78**	69	65	63
Total non-current assets	**3 039**	2 971	2 858	2 914
Current assets				
Inventories	**1 103**	1 164	1 298	1 264
Loan receivables and other interest-bearing assets	**134**	1 095	177	140
Trade and other receivables	**636**	797	788	761
Cash and cash equivalents	**1 178**	195	253	168
Total current assets	**3 051**	3 251	2 515	2 333
Assets of disposal group classified as held for sale	**-**	18	-	-
TOTAL ASSETS	**6 090**	6 240	5 373	5 247
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the equity holders of the Company	**2 843**	2 951	2 157	2 070
Non-controlling interests	**17**	18	14	14
Total equity	**2 860**	2 969	2 171	2 084
Non-current liabilities				
Interest-bearing liabilities	**1 612**	1 523	1 224	1 196
Deferred tax liabilities	**8**	18	59	38
Defined benefit and other long-term employee benefit obligations	**63**	64	68	62
Provisions	**18**	18	21	22
Trade and other payables	**6**	57	28	45
Total non-current liabilities	**1 706**	1 679	1 399	1 364
Current liabilities				
Interest-bearing liabilities	**672**	730	1 166	1 061
Provisions	**16**	20	21	42
Trade and other payables	**836**	841	616	695
Total current liabilities	**1 524**	1 591	1 803	1 799
Liabilities directly associated with the disposal group classified as held for sale	**-**	1	-	-
TOTAL EQUITY AND LIABILITIES	**6 090**	6 240	5 373	5 247

Statement of changes in equity

EUR million	Share capital	Share premium fund	Other reserves	Fair value reserves	Treasury shares	Cumulative translation differences	Retained earnings	Non-controlling interests	Total equity
	Attributable to the owners of the parent								
Equity on 1 Jan 2011	**311**	**713**	**7**	**100**	**-25**	**-89**	**1 356**	**2**	**2 376**
Result for the period	-	-	-	-	-	-	-67	-1	-68
Other comprehensive income	-	-	-	-89	-	-5	-	0	-94
Total comprehensive income for the period	-	-	-	-89	-	-5	-67	-1	-163
Dividends	-	-	-	-	-	-	-45	-	-45
Share-based payments	-	-	-	-	-	-	1	-	1
Share options exercised	0	0	-	-	-	-	-	-	0
OSTP reorganisation	-	-	-	-	-	-	-11	13	3
Equity on 30 Sept 2011	**311**	**714**	**7**	**11**	**-25**	**-95**	**1 234**	**14**	**2 171**
Equity on 1 Jan 2012	**311**	**714**	**7**	**19**	**-25**	**-76**	**1 121**	**14**	**2 084**
Result for the period	-	-	-	-	-	-	-226	-0	-226
Other comprehensive income	-	-	-	24	-	5	-	-0	29
Total comprehensive income for the period	-	-	-	24	-	5	-226	-1	-198
Rights issue [1)]	-	-	973	-	-	-	-	-	973
Share-based payments	-	-	-	-	-0	-	1	-	1
OSTP reorganisation	-	-	-	-	-	-	-4	4	-
Equity on 30 Sept 2012	**311**	**714**	**980**	**43**	**-25**	**-71**	**892**	**17**	**2 860**

[1)] Shares issued in relation to the Outokumpu rights issue.

Condensed statement of cash flows

EUR million	**July–Sept 2012**	April–June 2012	July–Sept 2011	**Jan–Sept 2012**	Jan–Sept 2011	Jan–Dec 2011
Net result for the period	**-116**	-122	-135	**-226**	-68	-186
Adjustments						
Depreciation, amortisation and impairments	**57**	67	57	**182**	297	360
Other non-cash adjustments	**5**	29	46	**8**	-115	-73
Change in working capital	**156**	74	331	**318**	149	310
Dividends received	**-**	0	-	**0**	5	5
Interests received	**1**	1	1	**2**	2	3
Interests paid	**-19**	-25	-17	**-60**	-60	-75
Income taxes paid	**-0**	-2	-1	**-3**	-4	-6
Net cash from operating activities	**83**	23	282	**222**	206	338
Purchases of assets	**-80**	-88	-45	**-232**	-133	-204
Proceeds from the sale of assets	**14**	5	72	**20**	78	90
Net cash from investing activities	**-65**	-82	26	**-212**	-55	-114
Cash flow before financing activities	**18**	-59	309	**10**	151	224
Rights issue	**-3**	827	-	**973**	-	-
Share options exercised	**-**	-	-	**-**	0	0
Borrowings of long-term debt	**96**	324	6	**516**	94	178
Repayment of long-term debt	**-58**	-233	-128	**-342**	-267	-378
Change in current debt	**-23**	-31	-63	**-135**	9	-123
Dividends paid	**-**	-	-	**-**	-45	-45
Proceeds from the sale of Talvivaara and Tibnor shares	**-**	-	-	**-**	162	162
Other financing cash flow [1)]	**956**	-814	0	**-5**	1	1
Net cash from financing activities	**969**	72	-184	**1 006**	-47	-206
Net change in cash and cash equivalents	**987**	13	124	**1 016**	105	19
Cash and cash equivalents at the beginning of the period	**195**	181	125	**168**	150	150
Foreign exchange rate effect	**-5**	1	4	**-7**	-1	0
Net change in cash and cash equivalents	**987**	13	124	**1 016**	105	19
Cash and cash equivalents at the end of the period	**1 178**	195	253	**1 178**	253	168

[1)] July–Sept and April–June 2012 relate mainly to investments of proceeds raised in the rights issue in March–April 2012.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (unaudited)

This interim report 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 2011.

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 net 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 1 January 2012 but had no impact on the Group financial statements;

- Amendment to IFRS 7 Financial Instruments: Disclosures

Use of estimates

The preparation of the interim report in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities, and the reported amounts of income and expenses during the reporting period. Accounting estimates are employed in the interim report to determine reported amounts, including the realisability of certain assets, the useful lives of tangible and intangible assets, income taxes, inventories, provisions, pension obligations, impairment of goodwill and other items. These are those interim report items that are mostly affected by management judgments made. Although these estimates are based on management's best knowledge of current events and actions at the end of the reporting period, actual results may differ from the estimates and assumptions. 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.

Changes in segment information

From 1 January 2012 onwards, Outokumpu's new organisation is based on three Business Areas: General Stainless, Specialty Stainless and Ferrochrome. The new Business Areas consist of:

- General Stainless: stainless steel operations in Tornio and the finishing plant in Terneuzen,

- Specialty Stainless: Special Coil (Avesta Works and Nyby), Special Plate, Kloster and Long Products including the Sheffield melt shop, and

- Ferrochrome: the Kemi Chrome Mine and ferrochrome production in Tornio.

Each of the Business Areas has full accountability for sales, profit and assets, and each have a segment leader responsible to Outokumpu's Chief Operating Decision Maker – CEO. These three Business Areas form Outokumpu's operating segments.

Outokumpu's operations consist of manufacturing and sales of stainless steel and each Business Area's operations are capital intensive. Production processes are similar, with Ferrochrome being an essential raw material in the production process and to a significant extent; the end products have the same customers. The Business Areas also share Outokumpu's production, procurement and marketing functions. Sales and distribution are primarily managed through Outokumpu's common distribution channels and, in principle, all sales companies manage the sales of all end products. Outokumpu believes that segment reporting by Business Area would not provide investors with a fair view of its performance. Accordingly, due to the operating segments' similar economic characteristics, Outokumpu has aggregated its operating segments into one reportable segment from 1 January 2012 onwards. All comparative segment figures have been restated.

Rights Issue

On 1 March 2012, the Extraordinary General Meeting of Outokumpu Oyj authorized the Board of Directors to decide on a share issue in which the shareholders were granted pre-emptive rights to subscribe for new shares in proportion to their shareholdings in Outokumpu Oyj.

On 7 March 2012, the Board of Directors resolved to issue a maximum of 1,274,020,027 new shares and raise gross proceeds of approximately EUR 1 billion in a rights offering to fund the cash payments related to the acquisition of Inoxum.

According to the terms of the rights issue, one Subscription Right entitled its holder to subscribe for seven Offer Shares at the subscription price of EUR 0.79 per Offer Share. Subscription Period started on 15 March 2012 and ended on 4 April 2012. The rights issue was fully underwritten through shareholder subscription commitments and bank underwriting.

The rights offering was oversubscribed by 22% and no underwriting was utilised. Outokumpu's total number of shares amount to 1 457 038 776 after the rights offering.

New EUR 400 million revolving credit facility signed

In April, Outokumpu signed a EUR 400 million committed multicurrency revolving credit facility to cover working capital requirements. The credit facility will become available after completion of the Inoxum transaction. This credit facility matures in June 2013 and includes a financial covenant based on gearing at the level of 115%. Following the issuance of the EUR 150 million bond in June 2012, the amount of this revolving credit facility was reduced to EUR 250 million.

EUR 150 million bond Issue

On 1 June 2012, Outokumpu issued a EUR 150 million 4-year bond with an annual coupon of 5.875% which was listed on the NASDAQ OMX Helsinki. The bond offering extends the maturity profile of the Group's loan portfolio and expands its investor base. The proceeds were used for refinancing and general corporate purposes**.**

Share based payment and stock option programmes

The Board has approved a new share-based incentive plan –Performance Share Plan 2012, to be offered to the key management, and a Restricted Share Pool programme which enables the long-term rewarding of selected individual employees.

The targets set for the earnings period 2009–2011 under the current share-based incentive scheme 2009–2013 were not met. Therefore, no reward was paid to participants for this earnings period. The EPS criterion previously applied in the current share-based incentive scheme 2009–2013 is for the year 2012 replaced with the EBIT criterion in its on-going earnings periods 2010–2012 and 2011–-2013 to be in line with the criteria applied in the new Performance Share Plan 2012.

In addition, The Board of Directors of Outokumpu Oyj has approved the granting of 25 000 Outokumpu shares as a special incentive scheme to the Group's CEO, Mika Seitovirta. The reward shares are subject to a restriction according to which the reward shares may not be transferred or in any other manner disposed of before 31 March 2015. The reward shares are also subject to a restriction according to which the CEO forfeits the reward shares if his service is terminated or a notice for the termination of the service is given prior to the end of the above restriction period. The reward shares are, in addition, subject to a claw-back provision during the above restriction period.

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

The Talvivaara option

On 1 June 2011, Outokumpu granted an option to Talvivaara Mining Company Plc to purchase its remaining 16% ownership in Talvivaara Sotkamo Ltd. The option was valid until 31 March 2012 when it expired unused.

Sale of Brass operations

Outokumpu sold its brass rod plant in Drünen in the Netherlands. In 2011, the brass rod plant had a turnover of approximately EUR 75 million, and it currently employs approximately 170 people.

The consideration and cash flow impact of this transaction were marginal. However, Outokumpu booked a loss of EUR 18 million from this transaction. After the sale, Outokumpu has divested all its brass operations.

Sale of the European stock operations

On 4 July 2012, Outokumpu announced that it had signed an agreement to sell part of its stock operations in Europe to Amari. In Outokumpu's Q2 interim report, the sale was accounted for under IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations.* Assets are classified as "Held for Sale" when it is highly probable that the carrying amount of the assets will be recovered through a sale transaction rather than continuing use. These assets and liabilities were measured at fair value less costs to sell and the assets mainly consisted of inventories and PPE. In connection with the classification an impairment of EUR 10 million was recorded as a non-recurring item. The transaction was completed in September 2012. With this transaction, 10 of the Group's stock operations in nine countries, and approximately 100 Outokumpu employees, were transferred to Amari. The cash consideration of the transaction is was approximately EUR 18 million, paid at the completion of the transaction. The final cash consideration, subject to closing accounts, is estimated to be approximately EUR 16 million.

Restatement of defined benefit and other long-term employee benefit obligations

Outokumpu will change its accounting policy related to defined benefit and other long-term employee benefit obligations after the closure of Inoxum transaction. The change is due to the difference in accounting policy compared to that of Inoxum. Currently, Outokumpu applies the corridor method for recognising actuarial gains and losses arising from defined benefit arrangements, while Inoxum recognises such actuarial gains and losses in other comprehensive income and thus, follows already the principles that are according to the revised IAS 19 *Employee Benefits* standard, which will come effective 1 January 2013 This amendment will affect Outokumpu's financial statements as the so called corridor approach is waived. Outokumpu estimates that based on 31 December 2011 defined benefit obligations; the amendment has approximately EUR 49 million negative impact on the Group's equity in 2012 without tax effect. Additionally, Outokumpu currently recognises the entire cost related to the defined benefit and other long-term employee benefit obligations in operating result, while Inoxum recognises the interest cost and expected return on plan assets components of the cost in financial income and expenses. The impact of this amendment is estimated to be marginal in 2012.

Non-recurring items in operating result

EUR million	**1 Jan– 30 Sept 2012**	1 Jan– 30 Sept 2011	1 Jan– 31 Dec 2011
Costs related to Inoxum transaction	**-29**	-	-
Losses from divestment of the Group's Brass operations	**-18**	-	-
Impairment of stock locations divestment	**-10**	-	-
Redundancy provisions	**-3**	-12	-43
OSTP impairment and redundancy provision	**-**	-66	-71
Kloster impairment	**-**	-60	-60
Gain on the sale of Forrestania resources royalty rights	**-**	-	23
	-60	-138	-151

Non-recurring items in financial income and expenses

EUR million	**1 Jan– 30 Sept 2012**	1 Jan– 30 Sept 2011	1 Jan– 31 Dec 2011
Gain on the sale and fair valuation of Talvivaara shares	**-**	206	206
Gain on the sale of Tibnor shares	**-**	36	36
Impairment of Luvata loan receivable	**-**	-13	-13
Loss from the sale of Nordic Brass Gusum shares	**-**	-	-13
	-	229	216

Property, plant and equipment

EUR million	**1 Jan– 30 Sept 2012**	1 Jan– 30 Sept 2011	1 Jan– 31 Dec 2011
Carrying value at the beginning of the period	**2 005**	2 054	2 054
Translation differences	**28**	-16	9
Additions	**266**	158	320
Disposals	**-5**	-2	-73
Reclassifications	**-1**	-1	-5
Depreciation and impairments	**-158**	-249	-301
Carrying value at the end of the period	**2 135**	1 944	2 005

Write-down of inventory to net realisable value (NRV)

During January–September 2012 Outokumpu recognised a write-down reversal of EUR 6 million (January–September 2011: write-down of EUR 15 million, January–December 2011: write-down of EUR 6 million) due to NRV calculations. The write-down or reversal bookings are included in cost of sales in the condensed income statement.

Provisions

On 31 December 2011 Outokumpu reported restructuring provisions totalling EUR 39 million. Of these provisions, EUR 6 million was reversed as unused during January–September 2012.

Commitments

EUR million	**30 Sept 2012**	30 Sept 2011	31 Dec 2011
Mortgages and pledges			
Mortgages on land	**277**	255	247
Other pledges	**8**	11	9
Guarantees			
On behalf of subsidiaries for commercial commitments	**35**	36	34
On behalf of associated companies for financing	**1**	2	0
Other commitments	**33**	40	38
Minimum future lease payments on operating leases	**69**	74	76

Group's off-balance sheet investment commitments totalled EUR 90 million on 30 September 2012 (30 September 2011: EUR 185 million, 31 December 2011: EUR 169 million).

Related party transactions

Material related party transactions during January–September 2012 comprise of purchases from associated companies totalling EUR 2 million (January–September 2011: purchases totalling EUR 4 million, at 30 September 2011: loan receivables totalling EUR 7 million and January–December 2011: purchases totalling EUR 5 million).

On 30 September 2012 the material related party transactions also include a purchase price receivable of EUR 2 million (31 December 2011: EUR 2 million). The receivable relates to the sale of 36% of the Outokumpu Stainless Tubular Products (OSTP) business on 30 September 2011 to Tubinoxia, a company controlled by the managing director of OSTP.

Segment information

EUR million	**1 Jan– 30 Sept 2012**	1 Jan– 30 Sept 2011	1 Jan– 31 Dec 2011
External sales			
Operating segments	**3 399**	3 762	4 821
Operating result			
Operating segments	**-84**	-123	-190
Other operations	**-82**	-68	-72
Intra-group items	**-1**	2	2
Total operating result	**-167**	-189	-260
Operating capital at the end of the period			
Operating segments	**3 370**	3 731	3 614

Fair values and nominal amounts of derivative instruments

EUR million	**30 Sept 2012 Net fair value**	31 Dec 2011 Net fair value	**30 Sept 2012 Nominal amounts**	31 Dec 2011 Nominal amounts
Currency and interest rate derivatives				
Currency forwards	**27**	10	**1 665**	1 605
Currency options, bought	**0**	0	**18**	10
Currency options, sold	**-0**	-0	**18**	10
Interest rate swaps	**-15**	-11	**548**	335
Cross-currency swaps	**-21**	-38	**69**	229
Interest rate options, bought	**0**	0	**195**	190
Interest rate options, sold	**-4**	-3	**95**	90
			Tonnes	Tonnes
Metal derivatives				
Nickel options, bought	**-**	0	**-**	1 200
Nickel options, sold	**-**	-0	**-**	900
Forward and futures nickel contracts	**-0**	-1	**300**	750
Forward and futures molybdenum contracts	**-**	-0	**-**	60
Forward and futures copper contracts	**-**	0	**-**	2 375
Forward and futures zinc contracts	**-**	0	**-**	825
Emission allowance derivatives	**-1**	-0	**711 000**	226 000
Fuel derivatives	**1**	-0	**15 000**	5 000
			TWh	TWh
Electricity derivatives	**-0**	-1	**0.0**	0.2
Granted share options	**-**	-0		
	-14	-44		

Key figures

EUR million	I/11	II/11	III/11	I-III/11	IV/11	2011	I/12	II/12	**III/12**	**I-III/12**
EBITDA	93	-4	4	93	-13	80	60	-12	**-32**	**16**
Operating result margin, %	2.4	-13.2	-4.3	-4.9	-6.3	-5.2	0.2	-6.4	**-9.2**	**-4.7**
Return on capital employed, %	3.1	-16.1	-5.3	-6.2	-7.4	-6.5	0.3	-8.6	**-9.8**	**-6.0**
Return on equity, %	2.8	8.7	-24.1	-4.0	-22.1	-8.3	2.1	-18.7	**-15.9**	**-12.2**
Long-term debt	1 527	1 300	1 196	1 196	1 161	1 161	1 242	1 492	**1 573**	**1 573**
Current debt	928	1 122	1 108	1 108	998	998	881	701	**649**	**649**
Other interest-bearing payables	20	11	12	12	17	17	17	9	**10**	**10**
Derivative financial instruments	-2	28	31	31	44	44	34	16	**14**	**14**
Investments in associated companies	-146	-49	-46	-46	-39	-39	-39	-39	**-40**	**-40**
Available-for-sale financial assets	-152	-33	-30	-30	-23	-23	-22	-21	**-26**	**-26**
Investments at fair value through profit or loss	-1	-219	-126	-126	-106	-106	-274	-1 047	**-89**	**-89**
Other interest-bearing receivables	-162	-150	-161	-161	-164	-164	-162	-182	**-172**	**-172**
Net assets of disposal group classified as held for sale	-	-	-	-	-	-	-	-17	**-**	**-**
Cash and cash equivalents	-139	-125	-253	-253	-168	-168	-181	-195	**-1 178**	**-1 178**
Net interest-bearing debt at the end of period	1 873	1 885	1 730	1 730	1 720	1 720	1 495	716	**742**	**742**
Capital employed at the end of period	4 202	4 184	3 902	3 902	3 804	3 804	3 739	3 685	**3 601**	**3 601**
Equity-to-assets ratio at the end of period, %	39.9	40.4	40.4	40.4	39.8	39.8	40.6	47.6	**47.0**	**47.0**
Debt-to-equity ratio at the end of period, %	80.4	82.0	79.7	79.7	82.5	82.5	66.6	24.1	**25.9**	**25.9**
Earnings per share, EUR [1]	0.06	0.18	-0.48	-0.24	-0.40	-0.64	0.04	-0.09	**-0.08**	**-0.22**
Equity per share at the end of period, EUR [2]	12.79	12.62	11.85	11.85	11.38	11.38	11.44	2.03	**1.95**	**1.95**
Capital expenditure	42	50	67	159	95	255	79	93	**98**	**270**
Depreciation and amortisation	60	59	58	177	57	235	58	57	**57**	**172**
Average personnel for the period	8 437	9 011	8 860	8 769	8 296	8 651	8 026	8 217	**7 876**	**8 039**

[1] Calculated based on the rights-issue-adjusted weighted average number of shares. Comparative figures adjusted accordingly.

[2] 31 March 2012 adjusted to exclude the effect of the Outokumpu rights issue. 30 June 2012 and 30 September 2012 includes the shares offered and net proceeds raised in the rights issue.

Definitions of key financial figures

EBITDA = Operating result before depreciation, amortisation and impairments

Capital employed = Total equity + net interest-bearing debt

Operating capital = Capital employed + net 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) = $\frac{\text{Operating result}}{\text{Capital employed (average for the period)}} \times 100$

Net interest-bearing debt = Total interest-bearing debt – total interest-bearing assets

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

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

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