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### **OUTOKUMPU AND THYSSENKRUPP TO COMBINE THEIR STAINLESS STEEL BUSINESSES TO CREATE A NEW GLOBAL LEADER IN STAINLESS STEEL**

The Board of Directors of Outokumpu has approved the proposed combination of Outokumpu and Inoxum, the stainless steel unit of ThyssenKrupp. The transaction is designed to create a new global leader in stainless steel under the operational leadership of Outokumpu. The transaction values Inoxum at an enterprise value of €2.7 billion based on Outokumpu's share price of €7.36 as of close on 30 January 2012. Consideration for Inoxum will comprise a cash payment of €1 billion, new Outokumpu shares issued to ThyssenKrupp, a loan note of €235 million to be issued to ThyssenKrupp and the assumption by Outokumpu of certain liabilities of Inoxum of €422 million.

In connection with the transaction, Outokumpu will conduct a fully underwritten rights issue of €1 billion. Solidium, a Finnish government-owned investment company holding approximately 31% of Outokumpu's share capital, KELA and Ilmarinen have irrevocably committed to subscribe to 37% of the rights issue. The remainder has been underwritten by J.P. Morgan and Nordea, subject to customary terms and conditions. ThyssenKrupp will hold a 29.9% interest in Outokumpu, following a directed share issue at closing of the transaction. The transaction has been approved by the Board of Directors of Outokumpu and the Supervisory Board of ThyssenKrupp, and is expected to be completed during 2012. The completion of the transaction is subject to certain closing conditions, including regulatory approvals. In addition, shareholders of Outokumpu will have to authorise the Board of Directors of Outokumpu to issue new shares in the rights issue and in the directed issue to ThyssenKrupp at closing of the transaction.

“This is a truly transformational deal,” said Mika Seitovirta, CEO of Outokumpu. “We are forming a new global leader in stainless steel, and are creating added value for our customers and shareholders. Outokumpu and Inoxum are an excellent fit – we are combining two highly complementary businesses to create tremendous synergy potential that neither company could realise on its own,” explained the Outokumpu CEO. “Outokumpu will be an efficient, innovative and reliable partner for its customers, and will offer enhanced stability and attractive development prospects to its employees,” Seitovirta continued.

“The combination of Inoxum and Outokumpu is an important milestone in the implementation of our strategic way forward,” said Dr. Heinrich Hiesinger, CEO of ThyssenKrupp. “The transaction is based on a compelling industrial rationale that is expected to enable the combined entity to compete more effectively in the global marketplace. We believe that the transaction opens up a promising perspective and is therefore also in the best interest of Inoxum's employees. ThyssenKrupp will improve its financial flexibility thanks to this transaction and further sharpen its profile, bringing us one step closer to our target of a diversified industrial group.” commented Heinrich Hiesinger, CEO of ThyssenKrupp.

“I am very pleased with this strategic transaction as it unlocks significant shareholder value. I have full confidence in the management team of the combined business to drive Outokumpu’s growth in the global stainless steel industry,” said Ole Johansson, Chairman of the Board of Outokumpu.

Headquartered in Espoo, Finland and listed on NASDAQ OMX Helsinki, the combined entity, under the name Outokumpu, will continue to be led by Outokumpu CEO, Mika Seitovirta. Following completion of the transaction, ThyssenKrupp will seek one seat on Outokumpu’s Board of directors and nomination committee, which Solidium has agreed to support.

### **About Outokumpu**

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 over 8,000 people in more than 30 countries. The Group’s head office is located in Espoo, Finland. Outokumpu is listed on NASDAQ OMX Helsinki

For further details please visit [www.outokumpu.com](http://www.outokumpu.com)

### **Contact**

Ville Kivelä  
MCF Corporate Finance GmbH  
Finland Branch  
Pohjoinen Makasiinikatu 7 A 7  
FI-00130 Helsinki

Tel: +358 9 6227 1890 Fax: +358 9 6227 1879

[helsinki@mfccorpfin.com](mailto:helsinki@mfccorpfin.com)