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**Speakers: Johanna Henttonen, Investor Relations, Mika Seitovirta, CEO, and  
Reinhard Florey, CFO**

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**Friday, 1 November 2013**

JOHANNA HENTTONEN: Good afternoon, ladies and gentlemen, and welcome to Outokumpu's third-quarter financial results webcast. My name is Johanna Henttonen and I'm head of Investor Relations.

Today we have two presenters. We have our CEO, Mika Seitovirta, and our new CFO, Reinhard Florey, to discuss our third-quarter report. We will start Mika's overall summary and continue with Reinhard on the numbers and Mika will then conclude with the final remarks. Of course, after the presentation we'll be having time for the Q&A.

But before anything else, I would like to welcome Mika on the floor and let's start the presentation.

MIKA SEITOVIRTA: Good afternoon, everybody, and most welcome to this Q3 meeting and report release. First of all I would like to go through with you the tailwinds and the headwinds we have been experiencing at Outokumpu during Q3. To start with the tailwinds here, we had continued strong efforts with our working capital programmes. As we remember, the new company is now about ten months old and we started with P300 already in the beginning of the year, now we start to see the first results here of that. Mainly because of the working capital releases, we have a positive cash flow of €124 million for quarter 3. So that is good news and we still feel that we can be more efficient on that one and continue on that path. Even after Capex for Q3 the cash flow is positive at €73 million.

The other piece of good news is that our savings programmes and our synergies are moving forward with a high tempo, actually in both. In P150 we are exceeding currently our targets for this year. The overall target by the end of next year, the €150 million of savings, will be reached. The second thing is that we are also exceeding the targets to be delivered in synergies for this year. You might remember we said that we are going to deliver €50 million of synergies this year. We are now, after Q3, on €69 million already, so that is good improvement. Another thing to be noticed here, after a lot of challenges I think it's worth mentioning that we had better Q3 in Calvert than Q2, so we are gradually reducing our losses there. Of course we are also gradually getting rid of the inventory problems that we had because of Terni deliveries and not market adjusted values in the beginning of the year. However, that problem, I would say, is now more or less 80% solved.

On the headwind side, first of all we still feel, especially in Europe, that the economy is weak and it's influencing stainless steel demand as well. This year's forecast by summer, for instance, is negative for Europe in demand. This is also, of course, influencing the prices in the market. A slow summer season. We experienced a further decline in nickel, with 7%, so nickel all in all this year has gone down very much during the first three quarters and that is obviously impacting our profitability but also in the demand. We reported an underlying EBIT of minus €126 million. Very unsatisfactory, of course, but in line or slightly better with the experiences, though.

The last point here on the headwinds is that, as you remember, we have announced a major new restructuring packaged for EMEA, Europe, mainly concerning our

German activities. We have a lot of changes going on right now in our German operations and in our EMEA coil operations all in all. There is a lot of restructuring. We are about to enter in negotiations with the unions and that is having an impact on our Q4 performance in Europe. This all will be sorted out mainly during Q4 and of course we are preparing for better next year through all these actions that we are currently doing there.

Here you can see the latest forecasts from SMR. It gives a growth picture globally, but I think it's really important to notice that in Europe we have negative numbers. SMR is forecasting for Europe next year a positive demand picture. We don't fully share that picture. We believe and our plans are based on a very flat development year on year this year and then moving to next year. The good news here in this picture is that actually in the US we are having a positive demand. Obviously that is then supporting our ramp-up of Calvert in the graded stainless steel market.

You have seen our strategy roadmap. This is really a very important thing for us. I just want to highlight the four areas where we have management focus for the time begin: expanding Ferrochrome, Calvert ramp-up, the EMEA restructuring currently, and then, of course, ensuring financial stability, strengthening the balance sheet and our overall financing position.

This was the content of the European restructualisation package that we announced originally on 1 October. The content hasn't changed since that announcement. The content is that we are going to get €100 million of savings through these solutions. Of course, the key things are here that we plan to close the Bochum melt shop earlier than planned. We invest in order to be able to close the Benrath site and to concentrate on Krefeld. At the same time we cut capacity

between 300,000 to 350,000 tonnes. That makes a better balance for us between the hot and the cold end of our operations and at the same time it's going to give us a higher utilisation rate, which is the key.

We are also doing reduction in annealing and pickling in Finland, so all this is still valid, and this would mean then additional 1,000 job cuts on top of our early 2,500, so for the 5-year period now it's going to be 3,500 job cuts. We haven't yet officially entered into the negotiations with the unions but we have unofficially started the discussions and we are in speaking terms in a very professional manner.

Here you can see the accumulated savings, because this is really the key, especially in Europe, to get the operations running and getting them back to profitability. So we are not counting on market, we are not counting on price increases but we are very much counting on the synergies and on the ongoing efficiency programmes, because we know that those programmes are going to happen and those programmes are going to deliver. One key number is that during 2014 and 2015 we are coming up to €380 million of savings. That's all included - synergies and P150. Then you also can see the EMEA package, which is the green bar on the right-hand side chart.

The US ramp-up. I mentioned already that, yes, Q3 was better than Q2 and we are getting also rid of the inventory programme that we had. That means that we can improve the margins as soon as we can actually our own melt-shop utilisation instead of using the material from Terni. This is obviously the key to us and we are moving closer and closer to the point where we are going to use only our own melt shop there, which is, of course, the target.

The market is, as I mentioned, having a positive demand. Even some price increases in the US have been done, which we have been following there. We are currently expanding our product portfolio, and bearing in mind that we need to get each and every new product to the quality level which is acceptable so that we can give to our customers delivery accuracy which they expect to get from us. But we are not increasing production volumes in the products until we get the quality right. It's a typical ramp-up thing and we are moving forward in the yields there for the time being. The very last Terni materials, the last volumes, are going to be shipped during Q1 next year and then it's the end of the story from European deliveries. Ferrochrome - I would say this is still great news. We are following very well our production volumes. Our cost picture there is very stable. For the fourth quarter we have somewhat lower profits than we had for quarter 3 and that is because of the change in the US dollar exchange rate, so it's not because of anything in the operations as such. So we believe that we are going to reach the volumes that we promised in this connection. As I said, the most important thing, the cost competitiveness is there.

We introduced earlier this year a new pricing, what we called daily alloy surcharge, which is actually to our distributor customers in Europe. The idea of this is that we provide tools to our customers to better manage their metal risks so it gives the opportunity to do better hedging. It also gives the opportunity to work with the real demand instead of speculative thinking of planning about metal prices. Customers have taken this very positively. We have piloted this one and we are going to move over to this pricing model in the beginning of next year for this particular customer segment. This will give us not only better hedging, and to our customers the same

thing, better risk management, but it will also give us, we believe, more stable order intake. Both are very important things in our case.

We have quite some strategic reviews going on here, and maybe just a few comments on that. First of all, VDM. That is progressing really well for the time being and the decisions are expected to be made by the end of 2013, exactly as we had promised. Not yet today, but by the end of 2013.

Nyby, Kloster and Dahlerbrück. We are looking into these units in order to improve their profitability as well in order to find synergies in the new situation where we have some products, for instance between Kloster and Dahlerbrück, which is overlapping. All these studies are going to be ready during this year and then the conclusions and the decisions out of that we are going to report as well, still this year.

Terni remedy. As you remember, after the extension we have had some new interest on that one and that is for sure a positive thing. We have said, and we still stick to that, that we target to sign transaction of Terni still during this year.

As you know, energy is very important for us. If we look at our assets in the Nordic, it's not only the Swedish units but especially the units. In Finland we have billions in assets here concerning Terni works and our enlarged ferrochrome production.

Outokumpu wants to be sure that we get electricity in the future below market price level and we have the access to that electricity. That's why we have in the first place gone into this Fennovoima project. Outokumpu continues in this Fennovoima project. However, the final decision will be done by the board of Outokumpu once all the key agreements have been negotiated and finalised with Rosatom. There

are still some open items and those need to be finalised. When they are finalised Outokumpu board will also do the final decision on this matter.

Final for performance. Here I have the pleasure of introducing to you Reinhard Florey. Reinhard Florey is taking today officially the chief financial position of Outokumpu, and Reinhard is going to continue from here.

REINHARD FLOREY: Thank you, Mika. It's a pleasure for me to introduce now the financial data for the first time in my new position as CFO to you. I would like to first open up a little bit of the economic background and the key decisive factors for us. If we look at the situation about the overall transaction prices, we have seen for the last couple of months, over the last two years, a constant decrease of these transaction prices. Why is that? This is on the one hand due to the fact that also the raw material prices have seen quite a significant decline in that period of time. On the other hand we have also seen that the base prices have been declining in this period of time, so that is a double effect that we can see.

We can see that Europe and the US have been going quite in the same direction over that period, Europe doing a little bit better still at the beginning of this year. However, things have come very close to each other in the third quarter of this year. If we on the other side look at the base price development during this year in Europe, and this is an example of we take the German prices here, we have seen a really strong decline here. That has more or less rock-bottomed in the third quarter. So this is certainly also one key indicator to be taken into account if we're talking about the results in the third quarter.

Secondly in detail about the raw material price developments, we have seen in this year the nickel price coming down from a level of some \$18,000 per tonne to a level of clearly below \$14,000, even \$13,000 per tonne. If we are looking at the third quarter, we see that this is a quite stable situation at a low level. We have seen the nickel price coming up a little bit now in late September, October timeframe, now end of October being at a level of \$14,500, so some development in that respect. Molybdenum - a very similar development in that respect. Ferrochrome you have heard Mika already mentioning about this situation. We had a little bit of a better situation in Q2 compared to Q3 and a certain distance between, of course, the contract prices and the spot prices here.

Now if we look at the Q3 overview. What we see is that in terms of the deliveries, we have relatively small but still noticeable decline compared to Q2. So compared to 656,000, 647,000 in stainless steel deliveries. That's a decline of about 1%. If we look at our sales there is clearly a stronger decline here. This decline is then of course not only due to the volume but also to the price and the mix. These three categories are in this quarter also negatively influencing our sales.

If we look at the results, we have an underlying EBITDA result of minus €35 million, and that results into an underlying EBIT of minus €126 million. This is worse than quarter 2. However, on the reported EBIT, we are showing a slightly better result than in Q2 but the underlying is slightly worse. This is within the expectations. This is also within the guidance we have given. If we're looking at the EBIT numbers, they contain a negative one-off effect of €1 million and metal effect of negative €15 million, so that should be taken into account.

All these results are of course also including our positive impact that we have from our cost reduction in synergy development and also what we see as a positive development on the ramp-up in the ferrochrome. So we have reached a volume of 106,000 tonnes now in the third quarter, which makes us very confident that we will reach a level of 400,000-plus tonnes for the full year in ferrochrome.

The good news certainly is, and Mika has already indicated that, that on the cash flow we have improved a lot. Due to all the efforts that we have taken on working capital and other cash-relevant measures, we were able to show here a positive operating cash flow of €124 million, which of course also supports our liquidity situation there.

Looking at the overall sales and deliveries, if we look at the sales we are in a situation now with also the increasing sales in Americas as well as in Asia that we have only half of our sales in the European stainless flat operations and half in our overseas operations as well as in our specialty business. In Group deliveries, of course, margins are different. Still we have about 60% in the EMEA region.

If we compare the results from the different business areas in this quarter to last quarter, we see that in the European and speciality business we have suffered in this quarter, so results in EBITDA as well as in EBIT are lower than in the second quarter. However, what we can here also demonstrate is that we are making progress in the US. We have been reducing our losses quite significantly both on the EBIT as well as on the EBITDA level.

If we're looking into the overall impact from the nickel price volatility and the situation that is reflected then in our results, what we see is that the effect could be

reduced in the third quarter to a level of €16 million and mainly that is the timing effects of nickel. That has been a significantly larger effect still in Q2.

Looking at the net working capital development, this drives very much our free cash flow. As we have said, the net cash flow from the operating activities is positive at €124 million. Still after deducting the investments of the cash flow from investments at the level of €51 million, we have a positive free cash flow of €73 million in this quarter, compared to a very significant negative number still in the last quarter. Also we see that the net change in the cash equivalent is a significant positive number, with €119 million. All in all we can say that specifically the efforts on the working capital with a positive impact of €109 million in the first 9 months of 2013 are contributing positively to our situation there.

This is what we also see if we're looking at the capital structure. Our net interest-bearing debt has come down compared to Q2. Our equity, however, also has come down. This is certainly a fact that we are paying specific attention to and this is also in the focus of all the measures that we are doing on the financial front to stabilise this situation on the equity. We currently have an equity-to-assets ration of 25% and our debt-to-equity ration, our gearing ratio, has come up now to 132%. Our liquidity reserves have increased in comparison to quarter 2. We have a liquidity reserve of about €900 million, of which about half is from our cash reserves.

If we're looking at our maturity profiles, specifically the debt maturities, what we see is that there are some maturities still in this year, in 2014 a level slightly above €500 million and then a larger amount, including also some bond repayments, in 2015.

Of course, it is our target and specifically my personal interest to clearly reduce the debt situation and apply all possible financial measures to, on the one hand, secure

and extend the existing financial agreements and on the other hand do all the financial tools that are necessary to bring that into a stable situation.

Looking at the specific operational initiatives that we have been advertising also to you through Mika, in the first place looking at the synergies, we are currently at a level of achieved synergies of €69 million until quarter 3. Our target was for the whole year about €50 million. We will clearly overachieve that and we are proposing now a target of €75 million that we are very clearly certain that we can achieve. The 2014 target stays at €150 million, compared to the overall target of €200 million that we have and are quite certain to achieve if not overachieve this level.

If you look at the split of the synergies, you can see that a lot of these very short-term realised synergies are coming from the procurement fund, the very successful work there in utilising our strong position there with our suppliers and the situation that we have in the raw materials market here. So we will have this €150 million savings in 2 years and we are very confident to reach this.

One part of that, also in combination with all the other savings and restructures measures is the reduction of headcount. Over all you have heard the number from Mika, 3,500 people headcount reduction in total anticipated. In this year, 2013, this will be a level of 770, out of which we have already achieved some 560 people in this year until end of quarter 3.

Then the important project P300 that is unlocking cash from our working capital. So far really a big success, and specifically in quarter 3 we could show that all the efforts in reduction of inventories have now brought us a reduction of cash flow from

the working capital of positive €237 million. This brings us to a 9-month result of plus €150 million released cash from working capital in this period.

The inventory days have gone down from a level of 120 days to 107 days. Over all, the inventory development is shown very clearly in this graph, where you can see, after a certain peak during the months of April and May, which came specifically from a very special situation in the US, we have brought down the level of inventories clearly below the level of starting in this year.

This concludes my explanations on the financial part and I will give back to Mika for the Q4 outlook guidance.

MIKA SEITOVIRTA: Thank you, Reinhard. First of all a view of SMR concerning quarter 3 and quarter 4 and you can actually see the whole-year development against last year here, both for EMEA and Americas. First of all I think it's a quite positive picture when it comes to the Americas, because there's been a continuous growth, which I told you, which is then, at the end of the day, supporting our ramp-up there. In Europe, of course, the market is still weak, if you combine this demand picture which will arise from quarter to quarter, the fact that the prices are deteriorating still a bit during the year, so it's a challenging world in Europe.

What we say about the financial outlook, quarter 4 2013, is that we don't see now any major improvements in the market demand for the rest of the year. Lower delivery volumes. We see some improvement in base prices and a similar product mix as in the third quarter. We see good progress in the cost-efficiency initiatives, including synergies, and also cash-release programmes, so they are moving steadily forward.

Outokumpu estimates the underlying EBIT in quarter 4 2013 to be on approximately the same level or slightly worse than Q3. At current metal prices, marginal raw material related time in losses, if any, are expected, and it could be impacted by non-recurring items associated with the Group's ongoing restructuring programmes. Here we need to clearly see that there is this time quite big differences between the market areas. And, as I mentioned earlier, the actions we are taken in Germany, which we need to sort out during quarter 4, are having an impact in our operations, not only the restructuring, also the market and also some product disturbances which we had already during Q3 but they are having an impact in Q4. We are also moving some maintenance there. Due to these issues we have a weaker picture in EMEA coil.

A couple of updates on key targets. First of all, if we talk about Capex, we have had tough programmes here to go down with the Capex. We are finalising our big investment projects now, meaning Ferrochrome, of course Calvert, Quarto Plate are the three big ones here. Last year we had a very high of investments, €821 million, mainly because of these big projects. Now this year we are coming down to €300 million. It is important to note that our ambition is to go further down next year, at least to a level of €250 million. So we are doing things not only when it comes to projects but also when it comes to our maintenance work and we are squeezing that as much as we can for the time being, for the reasons we all know.

Ferrochrome production target was confirmed already. There we see no issues. It is actually producing very smoothly for the time being. Synergies are more than €75 million already during this year, which is a change, of course, against the earlier, so we are getting there faster, the overall amount still being the €200 million here.

P150, the same thing. And then the EMEA, where we are very confident that we can bring the plan into execution and then gain €100 million more of savings. Then you see the phasing which actually we touched already earlier on, amounting now today to €450 million all in all in savings programmes.

Then a comment on the Americas and Calvert. We see a gradual improvement. I think it was clear already from Q2 to Q3. We believe that will continue there now and we are also gradually getting rid of the inventory problems we had earlier during the year.

To summarise a little bit, cost-efficiency programmes, cash-release programmes, synergies, really well on that, and we are going to exceed and overachieve on all these programmes here. EMEA - we are confident we can do that. The ferrochrome is doing already now well and, as I said, Calvert gradually improving. Further work is of course also to be done here. We are far from being ready but we have good plans for further restructuring in EMEA, knowing that now actually the first big milestone is going to happen this year. We need to remember that now only we close the Krefeld melt shop. It will be closed still during Q4. Then we are going for further activities there which are really concrete and helping us to reallocate the volumes and giving the additional synergies also on the variable cost side.

Americas we talked about already. Terni we said already that our clear target is to sign still during this year.

Strengthening the balance sheet. We haven't disclosed yet anything on that matter. We are very well aware of that. However, I would like to say that we have progressed well there and still before the year-end we will tell you more about the actions on that side.

Thank you. I think we are ready for questions and answers.

JOHANNA HENTTONEN: Thank you, Mika, and thank you, Reinhard. Maybe, Mika and Reinhard, if you could take the positions on that side of the room. Basically what we do is we take the questions from Helsinki first and then continue with the conference call participants. We also have the opportunity to take questions from online, but we do start from Helsinki. Who has the microphone?

SAMPSA KARHUNEN: Yes, thank you. It's Sampsa Karhunen from DNB. Just two questions. I'm going to ask them separately and I think it's more Mr Florey that I'm trying to investigate here. Basically when we are looking at the nickel price currently, if we assume that the nickel price is staying at the current level, what is your assumption? How much of working capital we are going to see increasing in Q4? How much more money is going to be tied up in the working capital due to the nickel price going up a little bit?

REINHARD FLOREY: We're actually not expecting that there would be a significant increase in our working capital, because we are always looking at an average of the nickel prices in our inventories and this average is of course higher than the rock-bottom prices. So if we would come down to a level of where we are at \$14,000, \$14,500, we would not expect any specific additional working capital to be bound there.

SAMPSA KARHUNEN: That's good news. Second question: assuming that the balance sheet is giving a true picture of your assets, are the valuations that you have in your balance sheet currently for VDM and Terni, reflecting the kind of offer prices that you possibly are

getting for these assets, or what is the trigger when you would be matching the offer prices and the asset valuations in your balance sheet?

REINHARD FLOREY: It's a nice way to ask for the offers. In that respect, of course, we will not disclose anything. It is very clear that the nature of the two transactions is very different. One is a forced transaction that we have to do according to the obligation from the EU. The other is a divestment of a very valuable asset. Therefore, you can take your conclusions about how that would match in accordance to our book values. But unfortunately I cannot be more specific than that.

SAMPSA KARHUNEN: Can you give us what would be the trigger? Is it like when the deal is closed when you're matching those or is it something like that?

REINHARD FLOREY: It is clear that there will be the full effect only unlocked when the deal is closed. If there is a signing, then of course the discussion with the auditor about the fair value that we are seeing here will be there, so an adjustment, positive or negative, in terms of the ratio of the equity value compared to the book value will be very likely.

SAMPSA KARHUNEN: Fantastic, thank you.

JOHANNA HENTTONEN: More questions from Helsinki.

JOHANNES GRASBERGER: Johannes Grasberger, Nordea Markets. I've got a few questions, also basically on the European steel demand. I'm seeing that we've seen in Q3 a 6%

decline year on year. Is that actually in line with what you have expected? Then basically my question really is that now we are seeing these ongoing benefits in EMEA ferrochrome synergies and then cost reductions. Basically my question is do you feel that actually some of these benefits maybe have been lost in the market now that we've seen such big declines in Q3?

MIKA SEITOVIRTA: Thank you for the question. First of all, yes, we shared the picture on the year-on-year and the quarterly volumes there and how the market has been developing. We can also see, if we follow up our market shares, that during the first part of the year we lost some market share. However, now again, Q3, we have been able to take back some market share. So right now if we look at the year over all up to date, I would say that we're pretty happy with the share development as such.

The big thing is of course that we have a declining price trend, especially in Europe, which means that that is of course eating up the benefits that can be seen in our current results from the cost point of view. We haven't sort of lost any of those benefits as such. We will get all those benefits, whether it's about synergies, whether it's about the other cost-reduction programmes that we have, but it's a typical situation where again we are ten months old and we really need to run fast because the market is changing all the time. But we have decided to take this from a very realistic angle, meaning that we are counting nothing on the market improvement here, we are just counting on the tough actions that we need to take. Then we need to do more if that is not enough. But we believe that the current lengths are sizeable enough to bring us clear improvement in the near future.

JOHANNES GRASBERGER: Another question. I'm just trying to figure out the Q4 guidance. What you say is that Americas will improve and then basically you have all these benefits ongoing in the EMEA division and still we don't see improving profits. So my question really is is there anything else ongoing in the other divisions, APAC or high performance?

REINHARD FLOREY: No. Concerning all the operations, we have either a positive improvement forecasted for Q4 or a stable development. So this is really EMEA-related. Maybe just to open up once more a little bit, because the timing is of essence now, so, yes, we have synergies, yes, we have some headcount reductions, but we are still only finalising the first really big thing, which is the closing of Krefeld melt shop. That's only happening now.

The new package, including the €100 million, this we are only entering into negotiations to, which will be hopefully as soon as possible finalised and we can sort these problems out this year and we can next year then onwards really execute the savings. So those savings are nowhere for the time being. They are only coming.

Of course, in ten months also the headcount reductions, so we need to remember that there is quite some time between the time people are made redundant until they are out of the system and all the cost is taken. So that's another thing.

Unfortunately, we try to all the time fight against this time dealer here.

JOHANNES GRASBERGER: Okay. Then on Terni I have a question on that one also. Can you say if there has been any change in bidding on the asset now that you announced that

you might close down nearly 20% of European melting capacity three years before -- or earlier than expected? Has there been any change in bidding activity after this announcement?

REINHARD FLOREY: There has been no change in the bidding announcement, and the context that we are shutting down the overcapacities is simply a reaction to the overall development of the European market. In essence, nothing has changed in our operative plan here, so we are just anticipating by two years the closure of Bochum. This is just a reaction to the markets which we see which enable us -- and we have to see that also from the positive side. This enables us to do the restructuring earlier and take out the overcapacities and the fixed-cost base earlier. So of course this is a certain burden to do that now immediately because everything comes together. This is a restructuring situation, but it's very good for us because it comes faster and it enables us to get the benefits faster.

MIKA SEITOVIRTA: And it's also a very good question in that respect, in that what we are doing here and what we will do here is that we are going to melt-constrained to certain products. What do I mean by that? I mean that we are leaving out in the future the less-profitable products which are only covering costs, and we move upwards in our mix, and this is what we want to do. So high-utilisation rate but with a better mix as well.

JOHANNES GRASBERGER: Okay, and then two really short questions in the end just to understand Calvert now. You say that the let's say excess volumes from Terni to Mexinox are

ending in Q1. So assuming that the demand in Americas would stay favourable, how many quarters would it take to lift Calvert, let's say, to EBITDA positive?

MIKA SEITOVIRTA: Well, we haven't given any guidance on that on purpose. What we said earlier is that the challenges we got, because of the inventory problems mainly, postponed maybe ten months, slightly less than one year, the ramp-up profit development. But we are on that curve, we are back on that curve and we are gradually improving, but we are not giving any specific time point now of when we are positive EBIT or EBITDA.

REINHARD FLOREY: But you can hopefully also after our Q4 announcement then see how the curve improves gradually into the positive side and then indicates the timeframe that you are asking for.

JOHANNES GRASBERGER: Okay, thank you.

JOHANNA HENTTONEN: I think we'll take a caller from here.

CARL-HENRIK FREJBORG: Carl-Henrik Frejborg from Carnegie. Just on Calvert now, if I understood correctly, there's a clear difference about rolling and melting. Could you give any flavour of who the ramp-up is going with the rolling side and the melting is obviously quite slow? Help us with the utilisation or how far you are. Can you give any flavour?

MIKA SEITOVIRTA: Well, yes, I think we can give you some. First of all I would like to conclude and make the statement that actually the melt-shop ramp-up has gone more or less in a perfect manner, so when it comes to melt shop we don't have any quality challenges. We have overcome those all. Of course the utilisation is very low now but that is because of the inventory challenge on the other hand. So we first get rid of the inventory problem we created there, together with the Commission. When that is done and it starts to be done, it's 80% done as I told you, then afterwards we increase the utilisation there as well.

Concerning the hot rolling and cold rolling, we have had in the beginning, during the springtime, quite some challenges with our finishing department there. I would say those problems are 90% solved, so moving really in a good direction. In hot rolling also very much already solved. Let's say with the greater width we still have some challenges we need to solve there. We are not there with all the products with the yields that we could accept, which means still that we are not in the delivery accuracy that we need to get. But as long as we are improving, which we can see now that we are improving month by month, I think it's a very favourable trend all in all.

JOHANNA HENTTONEN: All right. I think we could take some question from the conference all.

Operator, please, we are ready.

OPERATOR: If you have a question for the speakers, please press 01 on your telephone keypad. Our first question comes from Mr Steve Benson from Goldman Sachs. Please go ahead, sir.

STEVE BENSON: Thanks very much. I had a few questions, the first just on the balance sheet. On page 39 of your accounts I can reconcile how you get to the €2.9 billion. First of all I can see net assets held for sale, so the €542 million in Q1 of net assets held for sale goes to €633 million at the last quarter. What has driven the increase?

REINHARD FLOREY: That was a very specific question pointing to a certain page, so bear with me a little bit. Which exact line are you addressing?

STEVE BENSON: Net assets held for sale of €633 million, which I assume is the value of Terni in there. At the start of the year it was €542 million, it's now at €633 million. I'm just wondering why would the Terni have gone up, or is there something else that's been added into assets held for sale.

REINHARD FLOREY: Okay, yes, thanks for the question. The question is about what is the scope of the remedy that is addressed here. The scope of the remedy in the beginning of the year has been more or less Terni and now we're talking about the full remedy package also including Willich, which is the German asset which is part of the EU package. That is the reason.

**Additional information: Assets held for sale reflect the remedy assets, i.e. the discontinued operations AST (Terni) and assets held for sale Willich. Optional parts of the remedy package like service centers are not included. The scope has not changed since the beginning of the year. Balance sheet values for remedy assets include not only fixed assets but also working capital. And working capital fluctuates due to various reasons quarter to quarter.**

STEVE BENSON: Okay, that's clear. Under a situation where you maybe don't get the -- you've said the bids have been lower than you would have like for Terni already, how much does that debt-to-equity ration have to deteriorate or the balance sheet deteriorate, before you have to start looking at equity issuance, which I think has been flagged earlier in the year? Are there any cut-off points? Because, you know, today EBIT is lower than we were expecting. Even with all the cost-cutting programmes the guidance seems to still be worse than expected for the fourth quarter. So what's the incentive here for the buyers of these assets to really rush ahead with these transactions? It seems like they could wait.

REINHARD FLOREY: First of all regarding the incentives and the motives of the buyers, I do not want to speculate at this moment. It is a fact that these transactions are progressing well. However, it is clear that a transaction in this environment cannot at all be something where we would say this is at a satisfactory level.

But without going into more detail there, you were asking about any kinds of thresholds. Of course we have covenants in place for our refinancing situations where we are saying we are closely monitoring where we are in comparison to this governance. We have no reason to be worried in quarter 3 and we have are continuing to monitor that going forward.

STEVE BENSON: And another thing from the division detail. In the high-performance alloys I saw volumes were down and the EBIT went from minus 5 last quarter to minus 30. This is a division that VDM are in - that's correct - so is this anything to do with VDM? I mean, has the environment deteriorated quite significantly there?

REINHARD FLOREY: The whole environment for specialities has not been favourable in the last couple of months. This simply has to do with specific industries that these specialty industries are addressing. So this is an effect that's certainly also partly coming from VDM but by far not wholly. But it is a fact that the whole specialty business of specialty stainless and specialty alloys is not facing currently a favourable environment at the moment.

STEVE BENSON: Okay. Actually, just a couple of questions on Calvert. What was the utilisation rate at Calvert in the third quarter and what market share do you think you have in the US market now?

MIKA SEITOVIRTA: Thank you for that question as well. We are not disclosing the individual utilisation rates, but of course it goes without saying that it has been very low during the third quarter because we are taking down the inventories and especially the over-inventory delivered from Europe, which we want to get rid of as soon as possible. Concerning market share, we are referring very often to our NAFTA market share as a whole because it's a combination of our American operation and Mexican operation, which has been around 20-24. We haven't increased our market share in a situation where we ramp up because it's in our interest, it's in our customers' interest that we deliver only an increased volume when the quality is there. I think this is something which we prioritise very high. So I would say roughly we have kept our market share there and are about in the same numbers.

STEVE BENSON: Okay. Just one last question on the guidance for the fourth quarter. It comes back to a question that came earlier from the room. With all of the measures that you're taking I'm just a little bit confused as to why profitability is not improving quarter on quarter. Why could things be sequentially even worse than the third quarter with all of these headcounts and the cost-cutting measures that you're putting in place? It surprises me.

MIKA SEITOVIRTA: Yes, it is true that it's very much related to EMEA. Maybe it's worth saying that, yes, the headcount reductions we have done so far in EMEA are only a small part against what's going to happen in EMEA. Why is that? Yes, already because the melt-shop closure is happening only now in Q4. It is indeed so that when we announced the plans, when we are preparing ourselves for the negotiations, we are really dealing with a lot of changes there right now. That has an impact on our performance there. That has an impact.

The second impact is of course coming from the market. And the third impact, as I mentioned, is due to some maintenance work which has been moved from the seasonally normal quarter 2, quarter 3 to quarter 4, and then that we had a one-week breakdown in our hot rolling in Tornio and the consequence is we unfortunately need to take quarter 4. That's also included in EMEA, so it's the sum of all these things, actually, which is doing that. Unfortunately it is worse than Q3, but on the other hand I say we also prepare the next year and we need to sort these things out now this year so that we can have a much better next year.

STEVE BENSON: Okay, thanks very much. I'll jump back in the queue.

OPERATOR: Our next question comes from Mr Luc Pez from Exane Paribas. Please go ahead, sir.

LUC PEZ: Hi, gentlemen. A few questions if I may. First of all, would it be possible for you to disclose the book value for VDM? Second question with regards to covenant. I understood your qualitative answers but would like to know if at some point you intend to disclose anything specific for us to form a view as well. Also a third question with regard to working capital requirement. Would it be possible for you to quantify, over Q3, the impacts coming specifically from Calvert, which I suspect was a large part behind the build-up of Q2? I'm therefore trying to understand what is actual (several inaudible words) part of the P150 or normalisation as part of the inventory issues you've been facing there. Thank you.

MIKA SEITOVIRTA: Taking on your first question, disclosing the book value of VDM. Unfortunately we are not in a position to do that, which you will probably understand in the ongoing process of strategic review that we have in VDM.

MIKA SEITOVIRTA: What was the second question, exactly?

JOHANNA HENTTONEN: The second question was about the covenants and if we are planning to disclose the covenants at some point in time.

MIKA SEITOVIRTA: Yes, we haven't disclosed our covenants and we have no decisions when we would do that, if we will do that. We have also said that there is a change in the way planned how we calculate our gearing. That's already included in our current covenants, the ones that we haven't disclosed, but we don't want to do that change in our gearing calculation in the middle of the year. So the next time point when we are thinking about this is of course going to be the year-end so we get a continuation on that.

But there is no decision to disclose that so far, but we will of course give a lot of thinking to that when we change the definition of the gearing as well.

REINHARD FLOREY: And to your third question about the working capital development and specifically the impact coming from Calvert. We can confirm that in the Q3 working capital developments which have contributed to our very positively to our cash flow, also a significant impact from decreasing our working capital in Calvert is included. This is simply true that we had unnaturally high inventory level in beginning of Q2, which we were stabilising and now reducing to normal levels according to the ramp-up situation. So also with the ramp-up going on it is not to be expect that there would be a net working capital increase now in Calvert necessary. We are just balancing coming down from an unnaturally high situation earlier this year.

MIKA SEITOVIRTA: And over all it's worth mentioning that when we are talking about P300, this goes without saying that Calvert is also part of that programme. So it means a new way of working with inventories. It's not one exercise. It's a way of working that brings in a sustainable way the working capital down. So it's about raw materials, it's

about better forecasting, it's about better procurement and timing, it's about work in process, it's about cutting the lead times in production and it's about finished goods and optimal stocking. So it's all these measures that we are including in that programme.

LUC PEZ: Thank you. If I may ask one follow-up question. Is it true that in case you sell VDM, part of the cash you would claim would be allocated for the reimbursement of ThyssenKrupp loan note, and if so, to what extent and what are the thresholds triggering such a reimbursement? Thank you.

REINHARD FLOREY: I don't think that we have disclosed the specific regulations we have regarding this. It is a fact that there is significantly high threshold in such transactions before cash would be transferred back to TK, because also our refinancing banks certainly have aspiration level there. But we have not been disclosing any of the thresholds there. If you refer to the sort of remedy reduction value that is agreed on the loan notes, this is up to a value of €200 million, but this refers only to the Terni forced sale by EU.

**Additional information: Tranche A is subject to mandatory prepayment of 50 percent of the net proceeds from any disposal of assets outside of the ordinary course of business by any member of the Outokumpu group to the extent that the aggregate net proceeds from such disposals exceed EUR 400 million, subject to certain exceptions.**

LUC PEZ: There is no such close for VDM, correct?

REINHARD FLOREY: This is not a forced sale that would be in context with the regulatory actions. This is a strategic review that we are taking here in our context of our business.

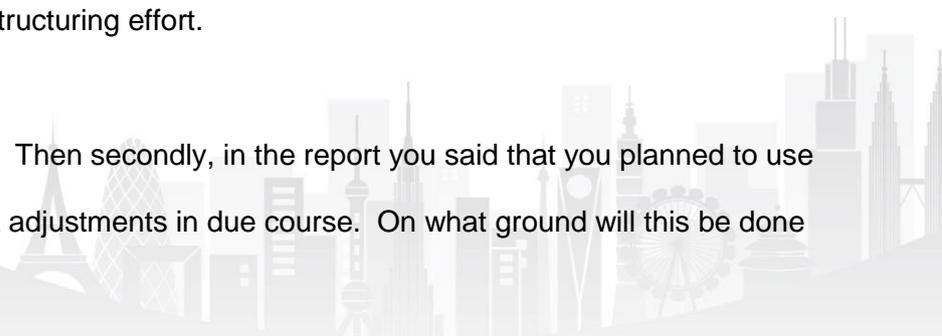
LUC PEZ: Okay, thank you.

OPERATOR: Our next question comes from Mr Mikael Doepel from Handelsbanken. Please go ahead, sir.

MIKAEL DOEPEL: Thank you. Two questions, please. Firstly, in terms of Q4, you are guiding for lower volume sequentially. Usually when you look at Europe and you look at your slides with a similar estimating higher volume sequential, which is the usual seasonal pattern and that you have the ramp-up going on in Americas. What's the reason behind this sequential decline in volumes?

REINHARD FLOREY: If we're looking at the decline in volume this comes in the first line from EMEA. There are two effects. First of all, we all recognise that December is a specifically short month in this year, so we cannot assume that December will be a specifically dynamic month. The second is of course with the ramp-down of Krefeld that will happen in Q4, we will have for the first time the situation that we are also very much selective in terms of the volumes regarding the margins that we can have. So this is also something where we deliberately say in our planning we are more or less conservative regarding the volumes, to make sure that we go on the right path regarding this restructuring effort.

MIKAEL DOEPEL: Okay, that's clear. Then secondly, in the report you said that you planned to use the option on PPA adjustments in due course. On what ground will this be done



and what kind of impact would you expect to see on your figures? Is this also part of the previously mentioned multiple action strength and balance sheet?

REINHARD FLOREY: First of all, this is something that we have no reason to disclose in quarter 3. This will be a topic for quarter 4. You may be aware that the PPA regulations are that you have 12 months from a deal which has been concluded, and that would be 28 December. Then 2013 the PPA Adjustments would be done. Of course, these PPA adjustments are some way to make sure that the way you structure your balance sheet is the best way for the company, and we will not lose out on this option, but there is nothing that we could comment on at this point in time.

MIKAEL DOEPEL: Okay. Then finally could you give some indication on how VDM performed compared to Q2 and what do you expect for Q4?

REINHARD FLOREY: We are disclosing specific companies' performances. I have been explicit on the performance of HPSA, of which VDM is one part, and we have discussed in another question already that it's also a challenging environment in which the specialty business currently is. But on the VDM performance as such, this is specifically given the sensitivity of a strategic review that is ongoing, not a number that we could disclose at that moment, I'm sorry.

MIKAEL DOEPEL: Okay, that's it from me, thank you.



OPERATOR: Our next question comes from Mr Ari Järvinen from Danske Markets. Please go ahead, sir.

ARI JÄRVINEN: Yes, a couple of questions. Do you have any new information about the plans in Bochum, about the timing or costs related to that?

MIKA SEITOVIRTA: Thank you for the question. Just to take the history once more, what we have announced earlier is that the final decision of the closure will be done by the management in 2015 and then it would have been closed 2016.

Concerning now the new timing, it's of course subject to negotiations with the unions. They haven't officially yet started. Our intention would be to close down the melt shop there by the end of 2014, during the year 2014. More specific we cannot be. We haven't disclosed about the new EMEA programme, not yet the one-offs, which obviously will follow. The reason has been very much that we need to know the exact outcome and then give a precise enough number. So we need to get the negotiations ongoing and then we can provide you with more exact numbers about the headcount reductions and about the Bochum closure and so forth. Then we can also say when exactly those are going to happen. So we are not yet there, unfortunately, but we will quite soon be there, I suppose.

ARI JÄRVINEN: Okay, and a follow-up question on this Q4 volume guidance. It was a bit disappointing but it should be supporting the net cash flow or the net working capital, right?

REINHARD FLOREY: I wouldn't disagree.

ARI JÄRVINEN: Okay. And then finally on the tranche B of the loan note, have the banks changed their view when they are calculating gearing in your financing agreements? Are they still having this view on the tranche B that they had half a year ago?

MIKA SEITOVIRTA: Yes, nothing has changed from that.

ARI JÄRVINEN: Okay, thanks.

OPERATOR: Our next question comes from Mr Bastian Synagowitz from Deutsche Bank. Please go ahead, sir.

BASTIAN SYNAGOWITZ: Good afternoon, gentlemen. I've got two questions first of all on the balance sheet and the cash flow. Mr Florey, how much of the working capital reduction in Q3, if any, has been contributed by Terni? It seems like the assets have also decreased a little bit less than the debt provision of the assets, which I guess suggests that Terni contributed positively to the cash flow as well.

Then secondly, could you also please update us on the net financial indebtedness of the company. I.e. how would net debt actually look like if you look at the whole company, including Terni, and not give credit for the net asset value? Is this still around €3.6 billion or has anything changed in the structure?

REINHARD FLOREY: Thanks for the question. First of all regarding the balance sheet and in the working capital development. We have not included in the numbers that I have shown in the presentation, clearly, Terni, as they are in the asset held for sale. If we're looking in our total balance sheet, it is true that also the efforts at Terni are contributing positively. It is a fact that we are also, according to the limits of the rules that we have in ring-fenced situations, offering our support to AST in the way to address working capital reduction programmes, as we have here in our P300 programme successful demonstrated. So it is a fact that also Terni has such a programme which is contributing positively.

Your second question was about net financial debt and would it be net if we would look at Terni included. This is not a situation that we would disclose, and for us we have to say also of more significant importance, because we are seeing a situation where we are forced into this disposal and therefore we are calculating our net financial debt without this.

BASTIAN SYNAGOWITZ: Yeah, but that of course means that you basically assume that you're going to get full book value reimbursed, which obviously is a scenario, but then from an outsider's point of view just trying to draw scenarios where possibly an outcome might be above or also below. Of course it's kind of necessary to assess the whole financial situation of the company.

REINHARD FLOREY: Yes, and this is something where only in a situation where we have a situation where the concrete bids are so clearly and so near to a transaction on the table that

we would need to take any action in that respect, and I'm not speculating at this point in time about the magnitude of such an impact.

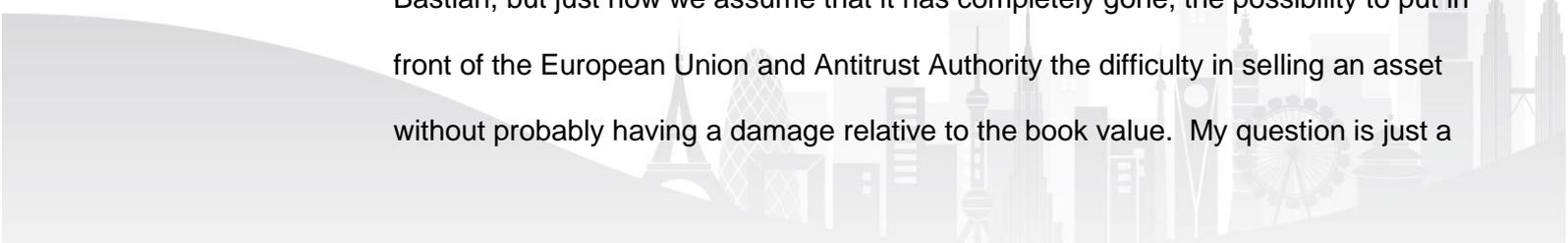
**BASTIAN SYNAGOWITZ:** Okay, fair enough. Just to follow up on the Terni divestment again, do you see any scenario where you actually still keep the asset or is this now completely off the table with the statement you also made on the report, i.e. you went back to the Commission to discuss the remedy package and that has been finished? Is this now off the table for good?

**REINHARD FLOREY:** It is clear it is our duty already towards the shareholders and everybody, all the other stakeholders as well, to look at all possible ways that we could have had a more favourable decision than this remedy decision has been. However, that is now discussed and that is gone, so it's the end of that period. We are now moving, with what we disclosed, that we target to sign a deal before the year-end.

**BASTIAN SYNAGOWITZ:** Okay, perfect. Understood, thank you.

**OPERATOR:** Our next question comes from Mr Allesandro Abate from JPMorgan. Please go ahead, sir.

**ALLESANDRO ABATE:** Good afternoon to everybody. Basically my question has been already asked by Bastian, but just now we assume that it has completely gone, the possibility to put in front of the European Union and Antitrust Authority the difficulty in selling an asset without probably having a damage relative to the book value. My question is just a



follow-up. What is the power of the Antitrust Authority to force a sale at a price that is below book value and is penalising significantly more relative to your duty to comply towards the Antitrust Authority has decided? Because, of course, the equity is going to be dramatically reduced, probably might be taken in a worst-case scenario and obviously a significant write-down of the assets? What is really the power of the European Antitrust Authority to force a sale that is going to penalise the shareholder?

The second one is related to your basic willingness to set a deadline for AST disposal. Don't you think that this is penalising a little bit also the possibility to push a negotiation towards a better outcome for you? If it is clear that you are targeting for disposal by year end, don't you think that this kind of hurry, unless you have data, of course, that the market is not aware of, or significantly close to a potential conclusion for the disposal of the assets, I think that setting such a strict deadline, or at least giving a deadline, might penalise a little bit the negotiation at your end.

Thank you.

REINHARD FLOREY: Thank you for the question. To start from the first one, what is the power of the Commission in these kinds of situations? Yes, of course they have the power as an authority to see to it that these kinds of decisions are executed. That doesn't take any view on the value of the transaction as such. This I'm just saying as a general statement, not related to our case. So this is the power of the authority.

Concerning the second question, what we have said that we target to sign before the year-end doesn't tell you anything about what has been the second extension and the length of that. These are two separate questions. We have never

disclosed what is the length of the extension. However, we have to consider many different angles here. Among them is also the angle that we want our team to focus on the business which is going to stay at Outokumpu and put the efforts and energy into developing that one instead of developing something which at some time point we need to get rid of anyway.

ALLESANDRO ABATE: Thanks. Just a follow-up. Is there any remote chance that the VDM disposal, probably a higher realisable value than the one of AST, can be put basically in front of the European Commission as a kind of alternative to disposal of AST? I mean, this is just a question of course. If there is any kind of possibility you might be seeing?

MIKA SEITOVIRTA: I'm afraid we cannot speculate on that one. I'm sorry for that. There is nothing we can disclose on that one.

ALLESANDRO ABATE: Okay. That's everything from my end. Thank you very much.

OPERATOR: Our next question comes from Mr Neil Sampat from Nomura. Please go ahead, sir.

NEIL SAMPAT: Good afternoon. I had a couple of questions. Firstly I wanted to revisit one of the questions that was asked earlier and the answers given. On the net value of assets held for sale, I think that's gone up from €571 million in the second quarter to €634 million in the third quarter. I think you mentioned previously that the Willich was included now whereas previously the scope of the remedy was only Terni. But I

believe that Willich was also included in Q2 as well. The net loss at Terni looks like it's €36 million, so unless the cash flow has been very significant, the cash generated at Terni has been very significant in Q3, I'm not quite sure why there would have been an increase in the net value of assets held for sale. So I was wondering if you could elaborate on that a little bit, please.

REINHARD FLOREY: First of all, we have a little bit of difficulty to disclose too much details regarding a specific development in a remedy package. But of course what you see here is a value that is impacted by multiple effects. It is on the one hand certainly the scope, the other is the overall value of the book value that is there, including the inventory. You have the net working capital in there; you have the impact of the raw material prices in there. So if I may suggest, this is the direction of the answer I can give you at this moment. This is the scope in which the deviations of this value will happen.

Willich: Okay, thank you. And another question I had was I guess more broadly it looks like the costs savings and synergies had come in above expectations but earnings are still down or below expectations. Is it possible that actually the focus on working capital management and cash flow is effectively impacting earnings negatively, or has been over the last quarter or so? Is that a possibility, that you've seen some operational impact there?

MIKA SEITOVIRTA: Thank you for that question. Of course, if you take like Calvert, taking down the inventory, so it has an impact on the margins when you take it down in the way that we are doing there. So partially your question is very right. However, this is not the

overall situation within the Group. We need to remember certain things here and one thing is, like we stated in Q2, that the Tornio works is profitable without ferrochrome, which was wanted to tell you because we had been restructuring Tornio works already for two years. Now it's profitable. So some of the things that we are doing currently, whether we like it or not, they just take some time before the costs are through and before we get the new roots, for instance in EMEA, to their places. This you can see more than the inventory reductions as such in our margins.

But the statement you had, or the question, is correct when it comes to Calvert.

NEIL SAMPAT: Thank you. Finally, I guess you've historically said that nothing is off the table with regard to strengthening the balance sheet, and we've seen the gearing ratio, for example, continue to deteriorate. Are you able to tell us whether you've had any discussions with your shareholders regarding their appetite for further equity?

MIKA SEITOVIRTA: Concerning what? I couldn't really hear that.

NEIL SAMPAT: Have you had any discussions with your shareholders?

MIKA SEITOVIRTA: We are not going into -- we cannot comment anything that we would be discussing with our shareholders or not. I can only repeat the statement that we said earlier, that the company is still prioritising other things - i.e. divestments and efficiency programmes - and equity is at the very bottom of the toolbox.

NEIL SAMPAT: Okay, great, thank you.

OPERATOR: Our next question comes from Mr Johannes Grunselius from ABG. Please go ahead, sir.

JOHANNES GRUNSELIUS: Yes, hello everyone. Just a few questions from me on details. Can you elaborate on the interest rate that you're expecting to pay for 2014/2015, please?

REINHARD FLOREY: Unfortunately for 2014/2015 I could not give you a value for the interest rate.

JOHANNES GRUNSELIUS: Okay. Why can't you?

MIKA SEITOVIRTA: Well, it's already related to all the actions we are planning here, so it's completely impossible to disclose any number on that.

JOHANNES GRUNSELIUS: Because it's a quite important assumption to do, but fair enough.

MIKA SEITOVIRTA: But that's really the case.

JOHANNES GRUNSELIUS: Also on the net working capital side - perhaps I missed this earlier in the conference call - what more can you expect to do here on the capital release side short term and perhaps a bit more long term as well, please?

MIKA SEITOVIRTA: The overall target for the P300 is €300 million. We have done €150 million out of it and we are fully committed to do the full €300,000, so maybe this is serving you as a guideline.

JOHANNES GRUNSELIUS: Sure, but the timeframe, that might be 12 months or something?

MIKA SEITOVIRTA: The original timeframe is by the end of 2014, and we are a little bit ahead of that schedule.

JOHANNES GRUNSELIUS: Okay, thanks. I was also looking at the different divisions. I don't know if you can help me with this detail, but you're making a loss in coil Americas, I guess that's part of the budget because it's commissioning, but when do you expect that to be breakeven, given current market conditions?

MIKA SEITOVIRTA: Yes, it is a question with high interest and we understand it. However, this time we haven't disclosed a time exactly when we are going to be EBIT or EBITDA positive in Americas. What we have said is only that we are now gradually improving and we can prove already that Q3 was better than Q2. We are looking positively for Q4. Then of course 2014 when the Terni volumes are completely gone and we get our own volumes up, yes, as mentioned we see it gradually improving during the year, but there is no one time point we are giving. Apologies for that.

JOHANNES GRUNSELIUS: Okay, that was all my questions. Thank you very much.

OPERATOR: Our next question comes from Ms Stephanie Bothwell from Bank of America.  
Please go ahead.

STEPHANIE BOTHWELL: Yes, thank you. A couple of questions from me, just quickly. Firstly on the loan notes with TK, could you just remind us to what extent that interest will continue to be capitalised on that going forward? Secondly, just going back on one of the previous questions and the potential disposal of VDM, given that this would not be in the normal course of business, my understanding was that under the loan agreement any net proceeds that were to exceed €400 million, you'd have to pay back 50% to TK. Is that not correct?

REINHARD FLOREY: Thanks for the question. Regarding ThyssenKrupp, the overall details of how the loan note and the detailed thresholds are, this is not something that we debate and discuss in more detail. The suggestion that you make might be something that you have heard, and I'm not commenting on that. But I'm saying, yes, there is a threshold and, yes, there is something that will certainly not immediately get ThyssenKrupp access to in terms of proceeds from transactions.

**Additional information: Tranche A is subject to mandatory prepayment of 50 percent of the net proceeds from any disposal of assets outside of the ordinary course of business by any member of the Outokumpu group to the extent that the aggregate net proceeds from such disposals exceed EUR 400 million, subject to certain exceptions.**

STEPHANIE BOTHWELL: Okay, thank you very much.

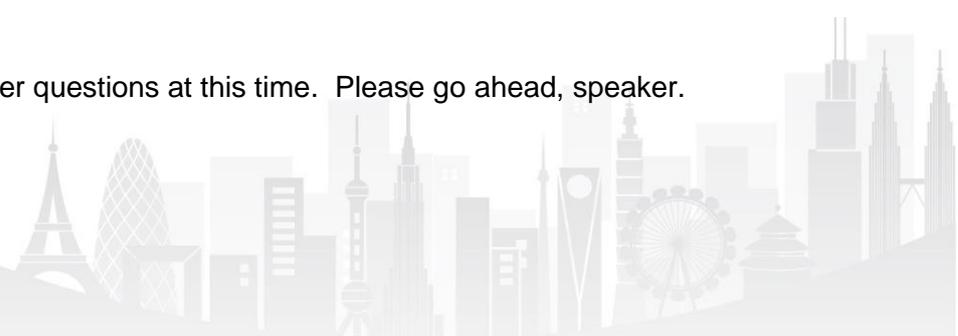
OPERATOR: Our last question comes from Mr Bastian Synagowitz from Deutsche Bank. Please go ahead, sir.

BASTIAN SYNAGOWITZ: Yes. Sorry, I've got one more follow-up question on the situation around Terni. Obviously the Commission, now looking back, has forced you into the sale of Terni due to the cartel concerns, while the changed markets and fundamentals are, I guess, telling all of us that there is no and likely will be no concern. Now, still selling Terni in this environment obviously means that the Commission forces you to possibly sell Terni kind of at the worst point in time for no reason, which might obviously destroy a lot of value for your shareholders and possibly increases the financial risk profile of the company. Is there any possibility for you to legally sue the government officials, and would you also pursue these options should the outcome fall significantly short of expectations? Expectations I guess obviously here are book value. Thank you.

REINHARD FLOREY: Thank you for the question and especially for the introduction to the question. I will again respond to you on a very general level, and totally disconnected from our case. Of course there are possibilities always to make an appeal from each of the decisions that the Commission has done, also about the consequences of those issues. Thank you.

BASTIAN SYNAGOWITZ: Okay, thank you.

OPERATOR: There are no further questions at this time. Please go ahead, speaker.



JOHANNA HENTTONEN: Thank you. Thank you everyone for the questions. We also had some questions from on line, but unfortunately, because we are already running quite late, we need to take the questions separately by email, so we'll get back to you with those questions that you had on line.

I thank you all for participating. Thank you, Mika, thank you, Reinhard. We meet again on our full-year results. That will be 13 February. Thank you.

