

Outokumpu posts solid first-quarter profits from continuing operations - Significant improvement in capital structure

Following the sale of the Group's fabricated copper products business, the operations of Outokumpu Copper have been classified as discontinued operations and reported separately from the continuing operations. Sales from continuing operations in January-March amounted to EUR 1 456 million, down by 3% from the previous quarter but 22% higher than during the comparison period in 2004. Operating profit was EUR 111 million (IV/2004: EUR 108 million, I/2004: EUR 118 million). Net profit for the period from continuing operations amounted to EUR 79 million (IV/2004: EUR 121 million, I/2004: EUR 92 million) and the net loss from discontinued operations amounted to EUR 324 million. Earnings per share from continuing operations totaled EUR 0.44 and from discontinued operations EUR 1.79 negative.

THE FIRST QUARTER IN BRIEF

- Global demand for stainless steel continued to grow in the first quarter of 2005, but at a slower pace than in 2004. In Europe, demand weakened and base prices declined whereas in Asia and in the US markets held up quite well. Delivery volumes from Tornio rose by about 15%, while total deliveries were at the level of the previous quarter.
- The Group's comparable operating profit was EUR 90 million (IV/04: EUR 99 million). Operating profit in Stainless improved due to a better product mix, while Technology posted a typical first-quarter loss.
- Net cash generated from operating activities was EUR 70 million. At the end of March, net interest-bearing debt was markedly down to EUR 1 695 million and gearing improved to targeted 75.0% as a result of good cash flow and the sale of the fabricated copper products business and the Boliden shares.
- On April 5, 2005, Outokumpu and Nordic Capital signed a sales and purchase agreement according to which Outokumpu will sell its fabricated copper products business, excluding the Tube and Brass division, to Nordic Capital. The total consideration for this transaction is EUR 599 million. Following the sale, operations by Outokumpu Copper are classified as discontinued operations. The loss of EUR 324 million from discontinued operations, including net profit for the period and the EUR 238 million loss on disposal of the sold businesses and the EUR 83 million impairment of the Tube and Brass division's assets and liabilities, is reported in the first-quarter income statement separately from the profit on continuing operations.
- In March, 30 million Boliden shares were sold reducing Outokumpu's holding to 16.1%. The proceeds from the sale amounted to EUR 115 million and resulted in a gain of EUR 25 million.
- The ramp-up of the Tornio expansion progressed according to plan, and in March a production record was once again set by the new cold rolling mill (RAP5). Plans are for full capacity to be technically available in mid-2005 and the ramping-up process involves a demand-driven approach.

- The stainless steel market situation in Europe has continued to soften and base prices have declined clearly since the beginning of the year. In spite of the downward trend in base prices, Outokumpu's order intake has remained firm until April. In China, growth in order intake is slowing as a result of increased stock levels. The ramp-up at Tornio will continue to improve Outokumpu's profitability through higher volumes and lower unit conversion costs. In response to weakened market conditions, Outokumpu will cut production at other stainless mills in the coming months. The Group's comparable operating profit for the first half of 2005 is expected to be at the same level, or somewhat lower, than in the corresponding period last year.

CEO Juha Rantanen comments:

"Improving the capital structure and gearing ratio have been high on our agenda for some time now. With improving operating cash flows and the recent strategic deal to divest the fabricated copper products business, I'm pleased to see that we are now approaching our target. This will give us greater financial strength and flexibility in following our chosen path – to become the global number one in stainless. With the new organizational structure now in place, we have launched the Commercial and Production Excellence programs, and these, together with the new capacity at Tornio, will enhance our operational and financial performance even further".

MANAGEMENT ANALYSIS OF THE FIRST-QUARTER OPERATING RESULT FROM CONTINUING OPERATIONS

The Group's comparable operating profit EUR 90 million

The following table presents the Group's sales and comparable operating profit (i.e. operating profit excluding non-recurring items) from continuing operations by segment.

Group key figures

EUR million	I/04	II/04	III/04	IV/04	2004	I/05
Sales						
Stainless	1 102	1 162	1 034	1 338	4 637	1 376
Technology	81	104	91	147	423	65
Other operations	41	39	41	42	163	44
Intra-group sales	(27)	(23)	(23)	(26)	(100)	(29)
The Group	1 196	1 283	1 143	1 500	5 122	1 456
Comparable operating profit						
Stainless	120	118	81	106	425	113
Technology	(9)	0	1	15	8	(10)
Other operations	(8)	(3)	(7)	(22)	(40)	(13)
Intra-group items	(2)	3	(0)	0	1	(1)
The Group	101	118	75	99	394	90
Items affecting comparability	17	(1)	(3)	9	22	21
The Group, official operating profit	118	117	72	108	415	111

China was the driver of global economic growth with a growth rate of 9% in the first quarter. In the US, the economic activity also remained robust and growth was about 4%. European growth was disappointing and averaged just to 1.5% in the period. The global economic growth is estimated to slow down somewhat in the course of the year.

The Group's sales were down by 3% compared with the previous quarter. Outokumpu's stainless steel deliveries were at the level of the previous quarter but sales of Technology declined. The Group's comparable operating profit amounted to EUR 90 million (IV/2004: EUR 99 million), a reduction of EUR 11 million compared with the corresponding period in 2004.

Stainless posts solid profits

Outokumpu Stainless key figures

EUR million	I/04	II/04	III/04	IV/04	2004	I/05	
Sales							
Coil Products	849	894	767	994	3 503	1 060	
Special Products	363	459	379	449	1 650	464	
North America	78	94	98	98	367	102	
Others	(188)	(285)	(210)	(203)	(883)	(250)	
Outokumpu Stainless total	1 102	1 162	1 034	1 338	4 637	1 376	
Comparable operating profit							
Coil Products	102	88	69	62	320	81	
Special Products	11	25	8	25	69	30	
North America	5	6	5	7	22	6	
Others	2	(1)	(1)	12	14	(4)	
Outokumpu Stainless total	120	118	81	106	425	113	
Sheffield Special Strip restructuring	-	-	-	-	-	(3)	
Dissolving of North America Division	-	-	-	-	-	(1)	
Release of the Finnish TEL disability pension liability	-	-	-	13	13	-	
Panteg closure	-	-	-	7	7	-	
Stelco Hardy closure	-	-	(3)	-	(3)	-	
Outokumpu Stainless, official operating profit	120	118	78	126	442	109	
Operating capital at the end of period	3 757	3 965	4 046	4 108	4 108	4 103	
Deliveries of main products (1 000 tonnes)							
Cold rolled	239	222	213	217	891	235	
White hot strip	103	99	74	157	432	135	
Other	137	123	87	116	464	115	
Total deliveries	479	444	374	490	1 787	485	
Development of market prices ¹⁾							
Stainless steel							
Transaction price	EUR/kg	2.12	2.28	2.26	2.35	2.25	2.21
Base price	EUR/kg	1.40	1.43	1.44	1.43	1.43	1.33
Conversion margin	EUR/kg	0.88	0.90	0.94	0.94	0.91	0.86
Nickel	USD/lb	6.68	5.67	6.35	6.38	6.27	6.96
	EUR/kg	11.79	10.38	11.45	10.84	11.11	11.70
Ferrochrome (Cr-content)	USD/lb	0.60	0.71	0.73	0.68	0.69	0.72
	EUR/kg	1.05	1.30	1.32	1.16	1.22	1.21
Molybdenum	USD/lb	8.20	14.61	16.91	25.85	16.39	32.02
	EUR/kg	14.46	26.49	30.50	43.92	29.05	53.84
Iron scrap	USD/t	231	211	238	265	236	240
	EUR/t	185	176	195	204	190	183

1) Sources:

Stainless steel: CRU - German conversion margin (2 mm cold rolled 304 sheet), price estimate for deliveries during the period.

Nickel: London Metal Exchange (LME) cash quotations converted into USD/lb and EUR/kg.

Ferrochrome: CRU - US imported high carbon 50-55% Cr.

Molybdenum: Metal Bulletin - molybdenum oxide - Europe.

Iron Scrap: Metal Bulletin - Iron scrap HMS1 fob Rotterdam.

Demand for stainless steel continued to grow globally in the first quarter, but with a slower pace than in 2004. Demand in Europe weakened but was reasonably good in Asia and in the US. The downturn in the European market was the result of several factors: sluggish economic growth, high stocks of stainless steel and increasing capacity. Consequently, competition was fierce and pricing aggressive. Raw material prices for stainless steel remained very high, placing downward pressure on base prices. According to CRU, the German base price for cold rolled 304 stainless steel sheet fell in the period by 140 EUR/tonne to a level of 1 285 EUR/tonne. In Asia, demand for stainless steel continued to grow, but some softening of demand resulted from excess supply. Prices for both cold rolled and hot rolled stainless steel rose in the period. China continued to import large amounts of hot rolled material and Asian prices remained firm. However, even in China consumption growth is slowing compared to the increases of 30-40% seen in previous years. A reflection of the balancing Asian markets was that the major Chinese stainless producers decided not to raise their April prices for cold rolled products. In the US, markets for cold rolled products were close to balance and prices remained essentially unchanged. Prices for quarto plate are holding up quite well, and base prices for long products in all markets have been mostly unchanged.

Nickel markets remained quite tight with the price averaging to USD 15 343 per tonne in the period, up by 9% from the previous quarter. Demand for nickel was up by 4%. Most of the big nickel producers were able to increase their production, and total nickel supply rose by about 5%. Nickel markets are forecast to remain rather tight with demand boosted by the increase in stainless steel production. It is expected that a major proportion of the new nickel supply will be used in increasing Chinese stainless steel production.

Ferrochrome markets tightened in the first quarter and moved back to a situation of undersupply. The average price for the period was 6% higher than in the previous quarter and 20% higher than in the first quarter of 2004. Ferrochrome markets are forecast to remain tight, and contract prices rose by Usc 5/lb for second-quarter deliveries. In addition to growing demand from stainless steel production, the appreciation of the South African rand, booming coke prices and the high cost of sea freight have put upward pressure on ferrochrome prices. Molybdenum prices continued to rise and were 24% higher than in the previous quarter. Iron scrap prices were down by 10% compared to October-December 2004.

Stainless' sales were 3% higher than in the previous quarter and amounted to EUR 1 376 million. Deliveries from Tornio were up by about 15%, while total delivery volumes were at the level of the previous quarter. In response to the weakened market situation in Europe and in order to maximize profitability, Outokumpu continued directing sales to Asian markets. In spite of falling cold rolled base prices, comparable operating profit improved slightly from the previous quarter to EUR 113 million and the comparable operating profit margin rose to 8.2% compared with 7.9% in the fourth quarter of 2004. The main factors contributing to improved profitability were a better product mix and reduced unit conversion costs resulting from increased production at Tornio. High ferrochrome prices also continued to have a positive effect on Outokumpu's profitability. In March, a comprehensive business capacity review aimed at improved profitability was initiated in Sheffield Special Strip. In the US, the North America divisional structure was dissolved in the period.

Comparable operating profit for January-March was EUR 7 million lower than in the first quarter of 2004. Coil Products' comparable operating profit declined mainly due to lower base prices and a larger share of white hot strip deliveries during the first quarter of 2005. In the corresponding period last year, profits were also boosted by inventory gains due to timing differences between the alloy surcharge and inventory turnover. Comparable operating profit of Special Products improved as a result of 20% higher ferrochrome prices compared to January-March 2004. The profitability of the Hot Rolled Plate business unit also improved significantly.

At Tornio, production records were set in March at the new melt shop, hot rolling mill and the new cold rolling mill (RAP5). Ramp-up of the Tornio expansion is progressing according to plan and full capacity is planned to be technically available in mid-2005. The ramping-up process involves a demand-driven approach.

The Commercial and Production Excellence programs to improve operational performance were launched at the beginning of April. Commercial Excellence emphasizes a customer-focused business approach, in which the goal is to continuously improve the managing of customer relations and achieve a leading position in customer service that distinguishes Outokumpu from its competitors. The program includes several parallel projects, which will be carried out in phases. Production Excellence is a consistent way of acting, improving occupational safety, enhancing efficiency and productivity as well as reducing costs at all mills. The World Class Operations Management (WCOM) tool, which has been very successful in several other industries, will be adopted. This tool enables employees and teams to recognize gaps in performance, for example, in delivery reliability and assist the development and implementation of improvement processes. Three pilot projects have started at Tornio, Avesta and Sheffield. The project phase of the Production Excellence program covering all the production sites and major service centers will be completed within three years.

The stainless steel market situation in Europe has weakened and base prices have declined clearly since the beginning of the year. Outokumpu's order stock is still at the normal level. There are, however, some speculative elements in buying activity by European stockists due to the high and volatile prices of alloying elements. In China, the growth in demand is also slowing as a result of increased stock levels. The ramp-up at Tornio will continue to improve Outokumpu's profitability through higher volumes and lower unit conversion costs. In response to weakened market conditions, Outokumpu will cut production at other stainless mills in the coming months.

Outokumpu Stainless' comparable operating profit for the first half of 2005 is expected to be close to the last year's level.

Technology records a loss

Outokumpu Technology key figures

EUR million	I/04	II/04	III/04	IV/04	2004	I/05
Sales	81	104	91	147	423	65
Comparable operating profit	(9)	0	1	15	8	(10)
Release of the Finnish TEL disability pension liability	-	-	-	5	5	-
Gain on the sale of the filter business	18	(1)	-	(1)	16	-
Technology, official operating profit	9	(1)	1	19	29	(10)
Operating capital at the end of period	27	45	29	39	39	40
Order backlog at the end of period	390	336	423	458	458	490

Outokumpu Technology's sales were down compared to the first quarter in 2004, primarily for some technical reasons related to stricter revenue recognition criteria. The comparable operating loss was EUR 10 million. This follows the pattern seen in previous years where profit is generated toward the end of the year. The weak first-quarter performance has not changed the positive outlook for the year as a whole. Technology's order backlog has continued to grow and reached a record level of EUR 490 million at the end of March.

The most significant new orders booked during the quarter were: a copper concentrator technology package for ZAO Ormet's project in Kazakstan; ferrous technologies for Gol-e-Gohar in Iran; pyrometallurgy technology for Goro Nickel in New Caledonia; and conceptual engineering for copper smelting at Codelco's Chuquicamata plant in Chile. Negotiations in connection with several new contracts are well advanced.

In April, UPM, Outokumpu Technology and Finnish Industry Investment established a joint venture company to produce high-quality radio frequency identification (RFID) antennas and develop associated production technologies. This joint venture is the world's first producer specializing in RFID antennas aimed at global markets. Outokumpu Technology's shareholding in the new company is 28%. Antenna production is scheduled to begin in the fall of 2005.

High metals prices indicate that investment activity within the metals and mining industry remains robust, and Outokumpu Technology's order backlog is forecast to be strong throughout the year. Based on this strong order backlog, the comparable operating profit is expected to be slightly better than in 2004.

Other operations

Other operations key figures

EUR million	I/04	II/04	III/04	IV/04	2004	I/05
Sales	41	39	41	42	163	44
Comparable operating profit	(8)	(3)	(7)	(22)	(40)	(13)
Release of the Finnish TEL disability pension liability	-	-	-	4	4	-
Gain/loss on the sale of the Boliden shares	-	-	-	(19)	(19)	25
Adjustment to the Boliden transaction	(1)	-	-	-	(1)	-
Other operations, official operating profit	(9)	(3)	(7)	(37)	(56)	12
Operating capital at the end of period	83	75	83	77	77	89

Other operations consists of activities outside the primary businesses as well as industrial holdings. Business development costs and Corporate Management expenses not allocated to the businesses are also reported under Other operations. The EUR 25 million non-recurring gain on the sale of the Boliden shares is recognized in the first quarter.

The attachments present the interim review by the Board of Directors as well as accounts.

For further information, please contact:

Kari Lassila, SVP – IR and Communications, tel. +358 9 421 2555,
kari.lassila@outokumpu.com

Vesa-Pekka Takala, SVP – Corporate Controller, tel. +358 9 421 4134,
vesa-pekka.takala@outokumpu.com

Eero Mustala, SVP – Corporate Communications, tel. +358 9 421 2435,
eero.mustala@outokumpu.com

News conference and live web cast today at 3.00 pm

A combined news conference, conference call and live webcast concerning the first-quarter interim report will be held today on April 27, 2005 at 3.00 pm Finnish time (8.00 am US EST, 1.00 pm UK time, 2.00 pm CET) at Hotel Kämp, conference room Akseli Gallen-Kallela, Pohjoisesplanadi 29, 00100 Helsinki, Finland.

To participate via a conference call, please dial in 5-10 minutes before the beginning of the event: +44 20 7162 0187 (UK) or +1 334 323 6203 (US & Canada). The password is Outokumpu.

The news conference can be viewed live via Internet at www.outokumpu.com. Stock exchange release and presentation material will be available before the news conference at www.outokumpu.com -> Investors -> Downloads.

An on-demand webcast of the news conference will be available at www.outokumpu.com as of April 27, 2005 at 4.30 pm. An instant reply service of the conference call will be available until Monday, May 2, 2005 in the following numbers: +44 20 7031 4064 (UK) or +1 954 334 0342 (US & Canada). The access code is 656 906.

OUTOKUMPU OYJ
Corporate Management

Johanna Sintonen
Vice President – Investor Relations
tel. +358 9 421 2438, mobile +358 40 530 0778, fax +358 9 421 2125
e-mail: johanna.sintonen@outokumpu.com
www.outokumpu.com

INTERIM REVIEW BY THE BOARD OF DIRECTORS

Major step toward becoming number one in stainless

Sale of the majority of the fabricated copper products business to Nordic Capital in April was a significant strategic move on Outokumpu's road to becoming a focused stainless steel and technology company. Following the divestiture, operations by Outokumpu Copper have been classified as discontinued operations on March 31, 2005. The result generated by these discontinued operations is reported as a single line in the income statement and separately from the continuing operations. Continuing operations consist of Outokumpu Stainless, Outokumpu Technology and Other operations.

New IFRS standards applied

Outokumpu has applied the following new International Financial Reporting Standards (IFRS) as of January 1, 2005: IFRS 2 (Share-based Payment) and IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations). Furthermore, International Financial Reporting Interpretation Committee's (IFRIC) interpretation IFRIC 3 (Emission Rights) has been applied for EU emission allowances. For Share-based Payment, the comparative figures for 2004 have been restated.

Solid financial results from continuing operations

The Group's sales from continuing operations increased by 22% in the first quarter compared to the corresponding period last year and amounted to EUR 1 456 million (I/2004: EUR 1 196 million). The increase was primarily attributable to higher stainless steel transaction prices as delivery volumes were only marginally higher than in the first quarter of 2004. Operating profit for the first quarter amounted to EUR 111 million (I/2004: EUR 118 million).

Non-recurring items amounting to EUR 21 million (I/2004: EUR 17 million) include an EUR 25 million gain from sale of the Boliden shares, an EUR 3 million provision for the Sheffield Special Strip restructuring and an EUR 1 million provision for dissolving the North America division. The share of results in associated companies was EUR 1 million negative (I/2004: EUR 16 million positive) because Boliden is no longer an associated company. Net financial expenses were EUR 10 million (I/2004: EUR 10 million). Net profit for the period from continuing operations amounted to EUR 79 million (I/2004: EUR 92 million) and the net loss from discontinued operations to EUR 324 million. Earnings per share from continuing operations were EUR 0.44 and from discontinued operations EUR 1.79 negative. Return on capital employed was 9.9% (I/2004: 10.9%).

Fabricated copper products business sold

On April 5, 2005 Outokumpu and Nordic Capital signed a sales and purchase agreement according to which Outokumpu will sell its fabricated copper products business to Nordic Capital. The scope of the transaction comprises the following divisions and businesses of the Outokumpu Copper business area: Americas, Europe, Automotive Heat Exchangers, Appliance Heat Exchanger & Asia and the Forming equipment businesses. In 2004, the businesses now sold generated sales of EUR 1 689 million and employed 6 400 people at the end of the year. Personnel will continue with Nordic Capital under their existing employment terms and conditions. Closing of the transaction is expected to take place in June this year at the latest. The Tube and Brass division is not included in the transaction. It is Outokumpu's intention to divest this business at a later date.

The total consideration for the transaction, EUR 599 million, comprises a cash component of EUR 389 million, a USD-denominated long-term subordinated vendor note of EUR 100 million as well as the transfer of debt and pension liabilities with a net worth of EUR 109 million. In order to allow 100% of the

joint venture company Outokumpu Heatcraft to be transferred in connection with the transaction, Outokumpu will use its option to buy out the 45% minority shareholder Lennox International.

Outokumpu recognized a capital loss of EUR 238 million from the disposal. The loss on the sale was somewhat larger than originally announced primarily because the US dollar appreciated by about 5% against the euro during the first-quarter of 2005. Furthermore, an EUR 83 million impairment loss on the remaining Tube and Brass division was recognized based on management's updated valuation of the business. These non-cash losses have been recorded in the first quarter results. As a result of new Finnish participation exemption tax rules, the losses are not tax deductible. The whole Outokumpu Copper business area has been classified as discontinued operations on March 31, 2005. The EUR 324 loss from discontinued operations comprises the result of Outokumpu Copper in the first quarter, the EUR 238 million loss resulting from the sale to Nordic Capital, and the impairment loss of EUR 83 million recognized on the Tube and Brass division. This loss from discontinued operations is recorded in the income statement on a single line after the profit from continuing operations.

Outokumpu has de-consolidated the assets sold to Nordic Capital at the end of the first quarter and presented the assets and liabilities of the Tube and Brass division as held for sale. The Tube and Brass division posted a break-even operating profit in the first quarter and the operating capital of the division was EUR 114 million.

Outokumpu Copper (USA), Inc. has been served with a complaint in a case filed in federal district court in Memphis, Tennessee, the US by plaintiff American Copper & Brass, Inc. The complaint alleges claims and damages under the US antitrust laws and purports to be a class action on behalf of all direct purchasers of copper plumbing tubes in the US from 1988 to March 31, 2001. Outokumpu believes that the allegations in this case are groundless and will defend itself in any such proceeding. In connection with the transaction to sell the fabricated copper products business to Nordic Capital, Outokumpu has agreed to indemnify and hold harmless Nordic Capital with respect to this class action.

Shareholding in Boliden reduced to 16.1%

In March, Outokumpu sold 30 000 000 Boliden shares to institutional investors. The proceeds from the sale amounted to EUR 115 million, and Outokumpu's holding in Boliden fell from 26.5% to 16.1%. An EUR 25 million non-recurring tax-free gain was recognized on the sale. The remaining stake is regarded as an industrial holding in Boliden with whom Outokumpu has a comprehensive technology cooperation agreement. At the end of March, the market value of the 16.1% shareholding in Boliden was about EUR 166 million.

Capital structure strengthened markedly

Net cash generated from operating activities was EUR 70 million (I/2004: EUR 170 million negative). As a result of the good cash flow, divestiture of the fabricated copper products businesses and the sale of shares in Boliden, net interest-bearing debt fell to EUR 1 695 million (Dec. 31, 2004: EUR 2 435 million). The purchase money claim from Nordic Capital and the net assets of the Tube and Brass division have been regarded as interest-bearing assets.

At the end of March, the Group's equity-to-assets ratio stood at 35.5% (Dec. 31, 2004: 35.8%). The gearing ratio improved to the target level, and was 75.0% (Dec. 31, 2004: 97.2%).

In January - March, capital expenditure of continuing operations amounted to EUR 37 million (I/2004: EUR 133 million). Capital expenditure for 2005 is expected to total about EUR 300 million.

Environment, health and safety

The EU emissions trading system started in January and allowances have been distributed to the plants involved. Outokumpu's sites covered by EU emissions trading are the stainless steel production plants in Tornio, Finland as well as in Avesta and Degerfors, Sweden. The Sheffield melt shop has utilized the opt-out from the EU system and will work under Britain's Climate Change Levy system. Emissions and discharges were below permission levels at Outokumpu's sites during the first quarter.

This year is the second group-wide safety theme year. A safety target for the Group of no more than 5 accidents per million man-hours before 2009 has been set. In the first quarter, the accident rate fell to 17 per million man-hours (2004: 18). In Outokumpu Stainless the rate was 14 per million man-hours (2004: 20) and in Outokumpu Copper the rate was 20 per million man-hours (2004: 25). No major accidents were reported during the first quarter.

Annual General Meeting of April 5, 2005

The Annual General Meeting (AGM) approved a dividend of EUR 0.50 per share for 2004. Total dividends of EUR 91 million were paid on April 15, 2005. The AGM also authorized the Board of Directors to increase the Company's share capital as well as to repurchase and to transfer the Company's own shares. The Board's authorizations are explained in more detail in the notes to the interim accounts. Furthermore, the AGM approved amendments to the Articles of Association and a proposal to establish a shareholders' nomination committee. PricewaterhouseCoopers Oy, Authorized Public Accountants, was re-appointed the Company's Auditor, with Mr. Markku Marjomaa as the audit partner in charge.

The AGM decided to amend Article 7 of the Company's Articles of Association to the effect that a person who has reached the age of 68 years cannot be elected to the Board of Directors and, in addition, that the Chairman and Vice Chairman of the Board of Directors be elected by the General Meeting. Mr. Evert Henkes, Mr. Arto Honkaniemi, Mr. Jorma Huuhtanen, Mr. Ole Johansson, Mr. Heimo Karinen, Ms. Leena Saarinen and Ms. Soili Suonoja were re-elected to seats on the Board of Directors, and Mr. Jukka Härmälä, Mr. Juha Lohiniva and Ms. Anna Nilsson-Ehle were elected as new members for the term expiring at the close of the next AGM. The AGM elected proactively Mr. Heimo Karinen as Chairman of the Board of Directors and Mr. Ole Johansson as Vice Chairman. These decisions are now in effect as amendments to the Articles of Association have been registered with the Finnish Trade Register.

At its first meeting, the Board of Directors appointed two permanent committees consisting of Board members - the Audit Committee and the Nomination and Compensation Committee. Members of the Board Audit Committee are Mr. Ole Johansson (Chairman), Mr. Jorma Huuhtanen and Ms. Leena Saarinen. Members of the Board Nomination and Compensation Committee are Mr. Heimo Karinen (Chairman), Mr. Evert Henkes, Mr. Arto Honkaniemi and Mr. Jukka Härmälä.

New organization kicks off on April 1, 2005

The new Group Executive Committee responsible for direct running of the stainless steel business is as follows: Juha Rantanen (CEO), Karri Kaitue (Deputy CEO), Pekka Erkkilä (EVP - General Stainless & Production Operations), Olof Faxander (EVP - Specialty Stainless), Andrea Gatti (EVP - Commercial Operations), Esa Lager (CFO) and Timo Vuorio (EVP - Human Resources, as of May 1, 2005).

The Group's stainless business has been organized into two divisions according to product types as well as into a separate Outokumpu Stainless Tubular Products (OSTP) business unit. The new General Stainless division comprises three business units: Tornio Works, Coil Products Sheffield, and Sheffield Primary Products. The new Specialty Stainless division consists of five business units: Avesta Works,

Thin Strip, Hot Rolled Plate, Long Products and Sheffield Special Strip. Corporate management and support functions are in the process of being realigned to support the new management system and business organization.

At the beginning of April, some 130 representatives from the business units, sales companies and corporate management gathered at the Outokumpu Executive Forum to launch the Operational Excellence programs. Outokumpu's Commercial Excellence means customer-focused business. The goal is to improve the managing of customer relations and thereby achieve a leading position in customer service that distinguishes Outokumpu from its competitors. Production Excellence is a consistent way of acting, improving occupational safety, enhancing efficiency and productivity as well as reducing costs at all mills. As both programs have ambitious targets and include extensive training throughout the organization the focus is on achieving significant results in the long term.

Outokumpu Technology is managed at arms length as a stand-alone business through the board work of Outokumpu Technology. The Tube and Brass division is also managed separately and it is reported as discontinued operation until disposal. These businesses report to the Deputy CEO.

Outokumpu's new structure will be implemented in the Group's financial reporting in the second quarter of 2005. Comparative information for 2004 and the first quarter of 2005 according to the new organization will be published in June.

Markets under pressure in the coming months

The stainless steel market situation in Europe has continued to soften and base prices have declined clearly since the beginning of the year. In spite of the downward trend in base prices, Outokumpu's order intake has remained firm until April. There are some speculative elements in buying activity by European stockists due to the high and volatile prices of alloying elements. In China, the growth in demand is also slowing as a result of increased stock levels. In spite of the current market conditions, longer-term market fundamentals remain quite healthy. The ramp-up at Tornio will continue to improve profitability through higher volumes and lower unit conversion costs although lower base prices largely mitigate this positive effect on profitability. In response to weakened market conditions, Outokumpu will cut production at other stainless mills in the coming months. On the basis of the progress in ramping-up of capacity at Tornio, the product mix is set to improve further and the increase in Outokumpu's total deliveries of finished products in 2005 is expected to be well above 20%, however, depending increasingly on the market situation.

Based on the weakened market situation, and on the other hand, on the progress in ramping-up of the capacity at Tornio, Outokumpu's comparable operating profit for the first half of 2005 is expected to be at the same level, or somewhat lower, than in the corresponding period last year.

Espoo, April 27, 2005

Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

INCOME STATEMENT	Jan-March	Jan-March	Jan-Dec
EUR million	2005	2004	2004
Continuing operations:			
Sales	1 456	1 196	5 122
Other operating income	26	22	24
Costs and expenses	(1 370)	(1 099)	(4 723)
Other operating expenses	(1)	(2)	(8)
Operating profit	111	118	415
Share of results in associated companies	(1)	16	78
Financial income and expenses			
Net interest expenses	(20)	(24)	(89)
Market price gains and losses	11	13	27
Other financial income and expenses	(2)	1	3
Profit before taxes	99	123	433
Income taxes	(20)	(31)	(61)
Net profit for the period from continuing operations	79	92	372
Discontinued operations:			
Net (loss), profit for the period from discontinued operations	(324)	39	14
Net (loss), profit for the period	(244)	132	386
Attributable to:			
Equity holders of the Company	(245)	130	382
Minority interest	1	2	4
Earnings per share for profit attributable to the equity holders of the Company:			
Earnings per share, EUR	(1.35)	0.73	2.12
Earnings per share, EUR - diluted	(1.35)	0.73	2.12
Earnings per share from continuing operations attributable to the equity holders of the Company:			
Earnings per share, EUR	0.44	0.51	2.04
Earnings per share from discontinued operations attributable to the equity holders of the Company:			
Earnings per share, EUR	(1.79)	0.22	0.08

All figures in the accounts have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

BALANCE SHEET	March 31	March 31	Dec 31
EUR million	2005	2004	2004
ASSETS			
Non-current assets			
Intangible assets	606	601	620
Property, plant and equipment	2 247	2 692	2 743
Non-current financial assets			
Interest-bearing	161	618	409
Non interest-bearing	51	61	55
	3 065	3 971	3 827
Current assets			
Inventories	1 324	1 463	1 579
Current financial assets			
Interest-bearing	229	95	70
Non interest-bearing	937	1 291	1 390
Cash and cash equivalents	147	172	211
	2 637	3 021	3 250
Receivables related to discontinued operations and assets held for sale	729	-	-
Total assets	6 431	6 992	7 077
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the Company	2 243	2 245	2 468
Minority interest	15	38	38
	2 258	2 283	2 506
Non-current liabilities			
Interest-bearing	1 934	1 771	1 975
Non interest-bearing	383	518	441
	2 317	2 289	2 416
Current liabilities			
Interest-bearing	932	1 374	1 150
Non interest-bearing	828	1 047	1 004
	1 760	2 421	2 154
Liabilities associated with assets held for sale	95	-	-
Total equity and liabilities	6 431	6 992	7 077

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to equity holders of the Company

EUR million	Share capital	Unregistered share capital	Share premium fund	Other reserves	Fair value reserves	Treasury shares	Cumulative translation differences	Retained earnings	Minority interest	Total equity
Equity on December 31, 2003	304	0	681	14	-	(12)	(61)	1 122	35	2 083
Cash flow hedges	-	-	-	-	(2)	-	-	-	-	(2)
Fair value gains on available-for-sale financial assets	-	-	-	-	16	-	-	-	-	16
Net investment hedges	-	-	-	-	-	-	(2)	-	-	(2)
Change in translation differences	-	-	-	-	-	-	4	-	0	4
Items recognised directly in equity	-	-	-	-	15	-	2	-	0	17
Net profit for the financial year	-	-	-	-	-	-	-	382	4	386
Total recognised income and expenses	-	-	-	-	15	-	2	382	4	403
Dividends paid	-	-	-	-	-	-	-	(36)	-	(36)
Transfers from unregistered share capital	0	(0)	-	-	-	-	-	-	-	0
Shares subscribed with options	4	-	15	-	-	-	-	-	-	19
Converted bonds	1	-	3	-	-	-	-	-	-	4
Outokumpu Oyj shares owned by associated companies	-	-	-	-	-	-	-	26	-	26
Management stock option program: value of received services	-	-	-	-	-	-	-	1	-	1
Transfer of treasury shares	-	-	0	-	-	6	-	-	-	6
Other changes	-	-	1	(1)	-	-	-	1	(1)	0
Equity on December 31, 2004	308	-	700	13	15	(5)	(59)	1 496	38	2 506
Cash flow hedges	-	-	-	-	2	-	-	-	-	2
Fair value gains on available-for-sale financial assets	-	-	-	-	(3)	-	-	-	-	(3)
Net investment hedges	-	-	-	-	-	-	0	-	-	0
Emission allowances	-	-	-	-	4	-	-	-	-	4
Change in translation differences	-	-	-	-	-	-	14	-	0	14
Items recognised directly in equity	-	-	-	-	3	-	14	-	0	17
Net profit for the period	-	-	-	-	-	-	-	(245)	1	(244)
Total recognised income and expenses	-	-	-	-	3	-	14	(245)	1	(227)
Management stock option program: value of received services	-	-	-	-	-	-	-	0	-	0
Transfer of treasury shares	-	-	1	-	-	3	-	-	-	4
Effect of the sale of the fabricated copper products business	-	-	-	-	-	-	-	-	(24)	(24)
Other changes	-	-	-	(2)	-	-	-	-	-	(2)
Equity on March 31, 2005	308	-	701	11	18	(2)	(45)	1 252	15	2 258

STATEMENT OF CASH FLOWS	Jan-March	Jan-March	Jan-Dec
EUR million	2005	2004	2004
Net profit for the period	(244)	132	390
Adjustments	306	(12)	192
Change in working capital	9	(290)	(710)
Net cash generated from operating activities	70	(170)	(128)
Purchases of assets	(46)	(156)	(473)
Proceeds from asset disposal	629	18	327
Change in other investing activities	(39)	1	(6)
Cash flow before financing activities	614	(307)	(279)
Net cash generated from financing activities	(679)	286	235
Adjustments	2	(26)	26
Decrease in cash and cash equivalents	(64)	(47)	(19)

KEY FIGURES	Jan-March	Jan-March	Jan-Dec
	2005	2004	2004
Operating profit margin, %	7.6	9.9	8.1
Return on capital employed, %	9.9	10.9	9.2
Return on equity, %	(41.0)	24.1	16.8
Return on equity from continuing operations, %	13.3	16.9	16.2
Capital employed at end of period, EUR million	3 953	4 543	4 941
Net interest-bearing debt at end of period, EUR million	1 695	2 261	2 435
Equity-to-assets ratio at end of period, %	35.5	33.1	35.8
Debt-to-equity ratio at end of period, %	75.0	99.0	97.2
Earnings per share, EUR	(1.35)	0.73	2.12
Earnings per share from continuing operations, EUR	0.44	0.51	2.04
Earnings per share from discontinued operations, EUR	(1.79)	0.22	0.08
Average number of shares outstanding, in thousands ¹⁾	180 901	178 081	180 057
Fully diluted earnings per share, EUR	(1.35)	0.73	2.13
Fully diluted average number of shares, in thousands ¹⁾	181 080	178 516	180 172
Equity per share at end of period, EUR	12.39	12.43	13.65
Number of shares outstanding at end of period, in thousands ¹⁾	181 032	178 914	180 752
Capital expenditure of continuing operations, EUR million	37	133	414
Depreciation of continuing operations, EUR million	53	44	191
Average personnel for the period	17 443	19 433	19 761

¹⁾ The number of own shares repurchased is excluded.

NOTES TO THE INCOME STATEMENT AND BALANCE SHEET

This report is prepared in accordance with IAS 34 (Interim Financial Reporting). Outokumpu has applied the following new International Financial Reporting Standards (IFRS) as of January 1, 2005: IFRS 2 (Share-based Payment) and IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations). Furthermore, International Financial Reporting Interpretation Committee's (IFRIC) interpretation IFRIC 3 (Emission Rights) has been applied for EU emission allowances. IFRS 5 has been applied to Outokumpu Copper and it is specified in a separate note: Discontinued operations and assets held for sale.

Share-based payment

IFRS 2 has been applied for the 2003 option program and comparative figures have been restated. The terms and conditions of the option program are described in detail in the annual report 2004 and below under the note Shares and share capital. The options are valued at fair value on the grant date by using the Black-Scholes-Merton option-pricing model. The total estimated value of the program is EUR 7.2 million. This value is recognized as an expense in the income statement during the vesting periods.

Grant date is the date at which the entity and another party agree to a share-based payment arrangement, being when the entity and the counter party have a shared understanding of the terms and conditions of the arrangement. Grant dates for the option program are as follows: 2003A June 12, 2003, 2003B February 10, 2004 and 2003C March 22, 2005.

Vesting period is the period during which all the specified vesting conditions of a share-based payment arrangement are to be satisfied. The vesting periods of the option program are: for 2003A June 12, 2003 to August 31, 2006, for 2003B February 10, 2004 to August 31, 2007 and for 2003C March 22, 2005 to August 31, 2008. Applying of IFRS 2 has reduced operating profit with EUR 0.4 million in 2003, EUR 1.7 million in 2004 and EUR 0.5 million in the first quarter 2005.

Emission allowances

IFRIC 3 has been applied to EU emission trading scheme (ETS), which started January 1, 2005. The scheme gives rise to an asset for emission allowances held, a government grant and a liability for the obligation to deliver allowances equal to actual emissions as well as recordings of applicable deferred taxes. Receiving emission allowances is accounted for as government grant in accordance with IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) i.e. it is recognized as deferred income at current market value of the allowances at receipt and amortized in proportion to actual and estimated emissions during the year. Emission allowances are recognized in the balance sheet as intangible assets according to IAS 38 (Intangible Assets) and valued at fair value. Reductions in fair value are charged to income and increases to equity. Liability for the obligation to deliver emission allowances is accounted for in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets). The liability is recognized based on actual emissions and at current market value of the emission allowances. Changes in the value of liability are charged to income. At initial recognition of emission allowances for 2005 on February 28, 2005, the total fair value of the allowances was EUR 9.9 million. At the end of March, the fair value was EUR 14.7 million. In the first quarter of 2005, the amortization of the government grant amounted to EUR 2.6 million and the expenses for actual emissions to EUR 2.8 million.

Shares and share capital

The total number of Outokumpu Oyj shares was 181 250 555 and the share capital amounted to EUR 308.1 million on March 31, 2005. Outokumpu Oyj held 218 603 treasury shares on March 31, 2005 with a total account equivalent value of EUR 0.4 million. This corresponded to 0.1% of the share capital and the total voting rights of the Company on March 31, 2005.

The Annual General Meeting held in 2003 passed a resolution on a stock option program for management. Under the terms and conditions of the stock option program, a total of 5 100 000 stock options may be issued, entitling holders thereof to subscribe for 5 100 000 new shares in the Company in the period 2006 to 2011.

In February 2004, the Board of Directors confirmed that a total of 742 988 stock options 2003A be distributed to 116 persons in management positions of Outokumpu. The maximum number of 2003A stock options was 1 700 000. Members of the Group Executive Committee received 62% and other key persons 45.25% of the maximum number of 2003A stock options. The number of 2003A stock options distributed was decided on the basis of the earnings criteria established in June 2003, and which were the Group's earnings per share and share price performance outperforming the share price trend of peer companies. The additional earnings criterion for Group Executive Committee members was the Group's gearing. Currently altogether 700 030 Outokumpu Oyj shares can be subscribed for with the 2003A stock options between September 1, 2006 and March 1, 2009. In accordance with the terms and conditions of the option program, the subscription price for a stock option was EUR 10.70 per share, with annual dividends being deducted.

On February 16, 2005, the Board of Directors confirmed that a total of 1 148 820 stock options 2003B be distributed to 130 persons in management positions in Outokumpu. The maximum number of 2003B stock options was 1 700 000. Members of the Group Executive Committee received 55.2% and other key persons 75% of the maximum number of 2003B stock options. The number of 2003B stock options distributed was decided on the basis of the earnings criteria established in February 2004, and which were the Group's earnings per share and share price performance outperforming the share price trend of peer companies. The additional earnings criterion for Group Executive Committee members was the Group's gearing. Currently altogether 1 130 070 Outokumpu Oyj shares can be subscribed for with the 2003B stock options between September 1, 2007

and March 1, 2010. In accordance with the terms and conditions of the option program, the subscription price for a stock option was EUR 13.56 per share, with annual dividends being deducted.

In March 2005, the Board of Directors established the earnings criteria on the basis of which stock options 2003C will be distributed to 158 key persons of the Outokumpu Group in spring 2006. The earnings criteria comprise the development of the Group's total shareholders return (TSR) compared to a peer group, operating profit (EBIT), and additionally gearing for Group Executive Committee members. A total maximum of 1 700 000 Outokumpu Oyj shares can be subscribed for with the 2003C stock options between September 1, 2008 and March 1, 2011. The current maximum number of 2003C stock options to be distributed is 1 190 000 shares. Subscription price for a 2003C stock option will be the trading volume weighted average of the Outokumpu share on the Helsinki stock exchange between December 1, 2005 and February 28, 2006.

As a result of the share subscriptions with the 2003 stock options, and if all of the 2003C stock options are distributed, Outokumpu Oyj's share capital may be increased by a maximum of EUR 5 134 170 and the number of shares by a maximum of 3 020 100 shares. The shares that can be subscribed with the 2003 stock options correspond to 1.7% of the Company's shares and voting rights.

Authorizations of the Board of Directors

During the first quarter, the Board of Directors utilized once its authorization to transfer the Company's own shares granted by the Annual General Meeting in 2004. On February 14, 2005, Outokumpu Oyj transferred a total of 279 930 of treasury shares to the persons participating in the share remuneration scheme for management.

The Board of Directors has a valid authorizations granted by the Annual General Meeting of April 5, 2005 to increase the Company's share capital by issuing new shares, stock options or convertible bonds. The share capital may be increased on one or several occasions by no more than EUR 30 800 000 in total. Accordingly, an aggregate maximum of 18 117 647 shares, having the account equivalent value of EUR 1.70 each, may be issued. The Board of Directors is authorized to decide who will have the right to subscribe for the new shares, stock options or convertible bonds. The Board of Directors may deviate from the shareholders' pre-emptive subscription right, provided that such deviation is justified by an important financial reason for the Company, such as strengthening the Company's capital structure or financing corporate acquisitions or restructurings. The Board of Directors decides the subscription price and the other terms and conditions of the issue of shares, stock options or convertible bonds. The Board of Directors may decide that the subscription price for new shares be paid by means of contribution in kind, set-off or otherwise subject to specific terms and conditions determined by the Board of Directors. The authorization is valid until the Annual General Meeting in 2006, however no longer than one year from the decision of the General Meeting. By April 27, 2005 the Board of Directors had not used this authorization.

The Board of Directors has a valid authorizations granted by the Annual General Meeting of April 5, 2005 to repurchase the Company's own shares. Shares may be repurchased for improving of the Company's capital structure or to be used as consideration when acquiring assets for the Company's business or as consideration in possible corporate acquisitions, in the manner and to the extent decided by the Board of Directors. Repurchased shares may also be used as a part of incentive and bonus schemes directed to the personnel of the Company. The maximum number of shares to be repurchased is 9 000 000. The number of own shares in the Company's possession may not exceed 5 % of the total amount of the Company's shares. Shares may be repurchased pursuant to a decision of the Board of Directors through purchases in public trading at the Helsinki stock exchange at the prevailing market price. The purchase price shall be paid to the sellers within the time limit provided in the rules of the Helsinki stock exchange and the Finnish Central Securities Depository Ltd. The shares shall be repurchased with distributable funds and accordingly repurchasing will reduce distributable equity of the Company. As the number of shares to be repurchased is limited as explained above and as the Company has only one class of shares, repurchases of own shares are not likely to have a significant impact on the relative holdings or voting rights between shareholders of the Company. Since shares will be repurchased in public trading at the Helsinki stock exchange without knowledge of the sellers' identity, it is not possible to determine whether and to what extent the repurchase could affect the proportionate holdings of persons that are closely connected to the Company in the meaning of chapter 1, section 4, subsection 1 of the Finnish Companies Act. The Board of Directors is authorized to decide on other matters and measures related to the repurchasing of own shares. The authorization is valid until the Annual General Meeting in 2006, however no longer than one year from the decision of the General Meeting. By April 27, 2005 the Board of Directors had not used this authorization.

The Board of Directors has a valid authorizations granted by the Annual General Meeting of April 5, 2005 to transfer the Company's own shares. The maximum number of shares to be transferred is 9 300 000. Shares may be transferred on one or several occasions. The Board of Directors shall be authorized to decide on the recipients of the shares and the procedure and terms to be applied. The Board of Directors may decide to transfer shares in deviation of the pre-emptive right of the shareholders to the Company's shares. Shares can be transferred as consideration when acquiring assets for the Company's business or as consideration in possible corporate acquisitions, in the manner and to the extent decided by the Board of Directors. The Board of Directors may decide to sell shares through public trading at the Helsinki stock exchange in order to

obtain funds for the Company for investments and possible corporate acquisitions. Shares can also be transferred as a part of incentive and bonus schemes directed to the personnel of the Company, including the Chief Executive Officer and his/her deputy. Except as separately authorized, the Board of Directors may not deviate from the shareholders' pre-emptive right to shares in favor of persons that are closely connected to the Company in the meaning of chapter 1, section 4, subsection 1 of the Finnish Companies Act. The transfer price may not be less than the fair market value of the shares at the time of the transfer set in public trading at the Helsinki stock exchange. The consideration can be paid by means of contribution in kind, set-off or otherwise subject to specific terms and conditions determined by the Board of Directors. The Board of Directors is authorized to decide on other matters and measures related to the transfer of own shares. The authorization is valid until the Annual General Meeting in 2006, however no longer than one year from the decision of the General Meeting. By April 27, 2005 the Board of Directors had not used this authorization.

Discontinued operations and assets held for sale

On April 5, 2005 Outokumpu and Nordic Capital signed a sales and purchase agreement according to which Outokumpu will sell its fabricated copper products business to Nordic Capital. The scope of the transaction comprises the following divisions and businesses of the Outokumpu Copper business area: Americas, Europe, Automotive Heat Exchangers, Appliance Heat Exchanger & Asia and the Forming equipment businesses. In 2004, the sold businesses generated sales of EUR 1 689 million and the number of personnel was 6 400 at the end of the year. Closing of the transaction is expected to take place in June this year at the latest. The Tube and Brass division is excluded from the transaction, and Outokumpu's intention is to divest the business at a later date.

The total consideration for the transaction, EUR 599 million, comprises a cash component of EUR 389 million, a USD-denominated long-term subordinated vendor note of EUR 100 million as well as transfer of debt and pension liabilities with a net worth of EUR 109 million. In order to be able to transfer 100% of the joint venture company Outokumpu Heatcraft in connection with the transaction, Outokumpu will use its option to buy out the 45% minority shareholder Lennox International.

Outokumpu has recognized a capital loss of EUR 238 million from the disposal. Furthermore, an EUR 83 million impairment loss on the remaining Tube and Brass division was recognized based on the management's updated valuation of the business. These losses have been recorded in the first quarter results. As a result of the Finnish participation exemption tax rules, the losses are not tax deductible. The whole Outokumpu Copper segment is classified as discontinued operations on March 31, 2005. Loss from discontinued operations, EUR 324 million, comprise the net result of Outokumpu Copper for the first quarter, the EUR 238 million loss from the sale to Nordic Capital and the impairment loss of EUR 83 million recognized on the Tube and Brass division. This loss from discontinued operations has been recorded in the income statement on single line after the profit from continuing operations. Outokumpu has de-consolidated the assets sold to Nordic Capital at the end of the first quarter and presented the assets and liabilities of the Tube and Brass division as held for sale.

Specification of discontinued operations and assets held for sale

Income statement

EUR million	Jan-March 2005	Jan-March 2004	Jan-Dec 2004
Sales	524	493	2 050
Expenses	(518)	(469)	(1 998)
Operating profit	6	24	52
Net financial items	(5)	19	(12)
Profit before taxes	1	43	40
Taxes	(4)	(4)	(26)
(Loss), profit after taxes	(3)	39	14
Impairment loss recognized on the fair valuation of the Tube and Brass division's assets and liabilities	(83)	-	-
Loss on the sale of the fabricated copper products business	(238)	-	-
Taxes	-	-	-
After-tax loss recognized on the measurement of assets and liabilities of the disposal group	(321)	-	-
Net (loss), profit for the period from discontinued operations	(324)	39	14

Cash flows

EUR million	Jan-March 2005
Operating cash flows	(53)
Investing cash flows	(11)
Financing cash flows	59
Total cash flows	(5)

Balance sheet

EUR million	March 31 2005
Assets	
Tangible assets	8
Inventories	100
Purchase money claim	520
Other current assets	101
	729
Liabilities	
Provisions	3
Other non-current liabilities	24
Trade payables	46
Other current liabilities	22
	95

Non-recurring items in operating profit

EUR million	Jan-March 2005	Jan-March 2004	Jan-Dec 2004
Gain/loss on the sale of the Boliden shares	25	-	(19)
Dissolving of the North America division	(1)	-	-
Sheffield Special Strip restructuring	(3)	-	-
Release of the Finnish TEL disability pension liability	-	-	22
Gain on the sale of the filter business	-	18	16
Panteg closure	-	-	7
Adjustment to gain on the Boliden transaction	-	(1)	(1)
Stelco Hardy closure costs	-	-	(3)
	21	17	22

Income taxes

	Jan-March 2005	Jan-March 2004	Jan-Dec 2004
Current taxes	(16)	(10)	(50)
Deferred taxes	(4)	(21)	(11)
	(20)	(31)	(61)

Commitments

EUR million	March 31 2005	March 31 2004	Dec 31 2004
Mortgages and pledges			
To secure borrowings of Group companies	107	149	112
Guarantees			
On behalf of associated companies	4	2	4
On behalf of other parties	40	45	38
	44	47	42
Minimum future lease payments on operating leases	109	154	146

Open derivative instruments	Net fair values		Contract amounts	
	March 31 2005	Dec 31 2004	March 31 2005	Dec 31 2004
EUR million				
Currency and interest rate derivatives				
Currency forwards	6	26	1 769	1 247
Currency options				
Purchased	-	0	-	7
Written	-	0	-	8
Currency swaps	-	(1)	-	21
Interest rate swaps	(1)	(2)	123	172
			Tonnes	Tonnes
Metal derivatives				
Copper forward and futures contracts	(1)	3	43 275	50 150
Copper options				
Purchased	0	0	20 000	20 522
Nickel forward and futures contracts	1	1	1 752	1 758
Zinc forward and futures contracts	(0)	0	29 125	39 000
Aluminium forward and futures contracts	0	0	2 000	2 550
			TWh	TWh
Electricity derivatives				
Traded electricity forwards and futures	0	(0)	0.1	0.1
Other financial contracts	2	0	4.5	5.0

KEY FINANCIAL INDICATORS BY QUARTER

EUR million	I/04	II/04	III/04	IV/04	I/05
Continuing operations					
Sales					
Outokumpu Stainless					
Coil Products	849	894	767	994	1 060
Special Products	363	459	379	449	464
North America	78	94	98	98	102
Others	(188)	(285)	(210)	(203)	(250)
Outokumpu Stainless total	1 102	1 162	1 034	1 338	1 376
Outokumpu Technology	81	104	91	147	65
Other operations	41	39	41	42	44
Intra-group sales	(27)	(23)	(23)	(26)	(29)
The Group	1 196	1 283	1 143	1 500	1 456
Operating profit					
Outokumpu Stainless					
Coil Products	102	88	69	77	81
Special Products	11	25	5	30	28
North America	5	6	5	7	5
Others	2	(1)	(1)	12	(5)
Outokumpu Stainless total	120	118	78	126	109
Outokumpu Technology	9	(1)	1	19	(10)
Other operations	(9)	(3)	(7)	(37)	12
Intra-group items	(2)	3	(0)	0	(1)
The Group	118	117	72	108	111
Share of results in associated companies	16	8	31	24	(1)
Financial income and expenses	(10)	(10)	(25)	(15)	(10)
Profit before taxes	123	116	77	117	99
Income taxes	(31)	(17)	(17)	4	(20)
Net profit for the period from continuing operations	92	99	60	121	79
Net profit, (loss) for the period from discontinued operations	39	(3)	(7)	(15)	(324)
Net profit, (loss) for the period	132	96	53	106	(244)
Attributable to:					
Equity holders of the Company	130	95	52	105	(245)
Minority interest	2	1	0	0	1

KEY FIGURES BY QUARTER	I/04	II/04	III/04	IV/04	I/05
Operating profit margin, %	9.9	9.1	6.3	7.2	7.6
Return on capital employed, %	10.9	10.0	5.9	8.7	9.9
Return on equity, %	24.1	16.5	8.9	17.2	(41.0)
Return on equity from continuing operations, %	16.9	17.1	10.1	19.7	13.3
Capital employed at end of period, EUR million	4 543	4 839	4 919	4 941	3 953
Net interest-bearing debt at end of period, EUR million	2 261	2 496	2 515	2 435	1 695
Equity-to-assets ratio at end of period, %	33.1	32.7	33.6	35.8	35.5
Debt-to-equity ratio at end of period, %	99.0	106.5	104.6	97.2	75.0
Earnings per share, EUR	0.73	0.52	0.29	0.58	(1.35)
Earnings per share from continuing operations, EUR	0.51	0.54	0.33	0.67	0.44
Earnings per share from discontinued operations, EUR	0.22	(0.02)	(0.04)	(0.08)	(1.79)
Average number of shares outstanding, in thousands ¹⁾	178 081	180 742	180 752	180 752	180 901
Equity per share at end of period, EUR	12.43	12.75	13.08	13.65	12.39
Number of shares outstanding at end of period, in thousands ¹⁾	178 914	180 752	180 752	180 752	181 032
Capital expenditure of continuing operations, EUR million	133	76	91	114	37
Depreciation of continuing operations, EUR million	44	48	48	50	53
Average personnel for the period	19 433	20 122	20 013	19 475	17 443

¹⁾ The number of own shares repurchased is excluded.