

GOOD SECOND QUARTER PROFITS IN DIFFICULT MARKET CONDITIONS

Outokumpu's sales for April-June amounted to EUR 1 589 million, an increase of 9% compared to the previous quarter. Stainless steel deliveries were 5% lower than in the first quarter. Despite weakened growth in demand and decreasing base prices for stainless steel, the Group's operating profit totaled EUR 157 million (I/2005: EUR 118 million, II/2004: EUR 121 million). Net profit for the period from continuing operations amounted to EUR 105 million (I/2005: EUR 89 million, II/2004: EUR 107 million). Earnings per share from continuing operations totaled EUR 0.57 and from discontinued operations EUR 0.04 negative.

THE SECOND QUARTER IN BRIEF

- The Group's operating profit increased by EUR 39 million to EUR 157 million. Operating profit for General Stainless increased by EUR 25 million and for Specialty Stainless by EUR 6 million as a result of an improved market and product mix as well as significant inventory gains due to timing differences between the alloy surcharge and inventory turnover. Technology's operating profit turned positive following a typical first-quarter loss. The impact of market price gains and losses in operating profit was EUR 19 million positive (I/2005: EUR 5 million).
- Net cash generated from operating activities totaled EUR 51 million (I/2005: EUR 70 million). At the end of June, net interest-bearing debt stood at EUR 1 822 million, an increase of EUR 127 million compared with the end of March due to dividend payments and increased working capital. Gearing was 80.6%.
- Sale of the Group's fabricated copper products business to Nordic Capital was finalized on June 7, 2005.
- In June, Outokumpu signed a five-year EUR 1 billion revolving credit facility. The facility is a committed credit facility and it replaces the comparable EUR 875 million facility of May 2003.
- The Tornio ramp-up is completed and the expansion comprising the steel melt shop, the hot rolling mill and the new cold rolling mill, is technically available.
- Global demand for stainless steel increased only marginally from the first quarter in 2005 and by some 5% compared with the second quarter in 2004. Due to the current de-stocking phase the markets were oversupplied and growth in demand slowed especially in Europe and Asia. Both base and transaction prices declined during the second quarter whereas raw material prices continued to increase.
- During the third quarter, difficult market situation is likely to continue, particularly in Europe where the holiday season is slowing down the business activity. To balance its own production, Outokumpu has decided to cut production in all of its melt shops by a total of some 100 000 tonnes in the third quarter. Further actions will be subject to

market development. Consequently, the increase in Outokumpu's deliveries of finished products in 2005 will be more modest than previously announced.

- Based on the weak demand outlook for the third quarter and Outokumpu's planned production cuts, the Group's operating profit for the third quarter is expected to be clearly lower than in the third quarter of 2004. Therefore, operating profit for the whole year is estimated to fall short of 2004. However, once the market is more balanced, Outokumpu is well positioned to meet its financial targets.

CEO Juha Rantanen comments: "The Tornio expansion is now technically available. Once the market is more balanced, it will deliver a significant profitability improvement. Despite the current quite gloomy market sentiment, the longer-term market fundamentals are still healthy. Under current circumstances our focus is now on internal improvements as well as tight cost and working capital management."

MANAGEMENT ANALYSIS OF THE SECOND-QUARTER OPERATING RESULT

Group key figures

EUR million	I/04	II/04	III/04	IV/04	2004	I/05	II/05
Sales							
General Stainless	1 080	1 178	1 014	1 213	4 485	1 342	1 219
Specialty Stainless	570	638	531	670	2 409	718	750
Technology	81	104	91	146	423	65	158
Other operations	55	50	56	57	218	55	64
Intra-group sales	(590)	(687)	(549)	(586)	(2 413)	(724)	(603)
The Group	1 196	1 283	1 143	1 500	5 122	1 456	1 589
Operating profit							
General Stainless	88	81	46	80	295	75	100
Specialty Stainless	41	38	33	42	154	55	61
Technology	9	(1)	2	20	30	(8)	4
Other operations	(4)	(10)	(4)	(14)	(33)	0	(10)
Intra-group items	(6)	13	0	0	7	(4)	2
The Group	128	121	77	128	453	118	157

Stainless steel deliveries

1 000 tonnes	I/04	II/04	III/04	IV/04	2004	I/05	II/05
Cold rolled	239	221	213	217	890	233	226
White hot strip	103	99	74	157	432	135	126
Other	138	124	87	116	464	117	106
Total deliveries	479	444	374	490	1 786	485	459

Market prices and exchange rates

		I/04	II/04	III/04	IV/04	2004	I/05	II/05
Market prices ¹⁾								
Stainless steel								
Transaction price	EUR/t	2 122	2 280	2 257	2 350	2 252	2 207	2 173
Base price	EUR/t	1 397	1 433	1 442	1 425	1 424	1 332	1 217
Nickel								
	USD/t	14 737	12 503	13 998	14 080	13 852	15 348	16 411
	EUR/t	11 792	10 379	11 455	10 850	11 136	11 704	13 031
Ferrochrome (Cr-content)								
	USD/lb	0.61	0.69	0.73	0.73	0.69	0.78	0.78
	EUR/kg	1.08	1.26	1.32	1.24	1.22	1.31	1.37
Molybdenum								
	USD/lb	8.20	14.61	16.91	25.85	16.39	32.02	35.62
	EUR/kg	14.46	26.49	30.50	43.92	29.05	53.84	62.35
Iron scrap								
	USD/t	231	211	238	265	236	240	209
	EUR/t	185	176	195	204	190	183	166
Exchange rates								
EUR/USD		1.250	1.200	1.220	1.298	1.244	1.311	1.259
EUR/SEK		9.184	9.150	9.150	9.013	9.124	9.074	9.208
EUR/GBP		0.680	0.667	0.672	0.695	0.679	0.694	0.679

¹⁾ Sources of market prices:

Stainless steel: CRU - German transaction and base prices (2 mm cold rolled 304 sheet), estimates for deliveries during the period.

Nickel: London Metal Exchange (LME) cash quotation.

Ferrochrome: Metal Bulletin - Ferrochrome lumpy chrome charge, basis 52% chrome.

Molybdenum: Metal Bulletin - Molybdenum oxide - Europe.

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

World economic growth continued healthy during the second quarter, driven by China with a growth rate of 9%. In Europe, growth was modest and averaged to some 1.5%. The global economic growth is estimated to stay rather stable for the rest of 2005.

The development of the stainless steel market was disappointing. Global stainless steel market moved to oversupply, putting strong downward pressure on prices. Growth in demand for stainless steel weakened markedly in Europe and in Asia, whereas in the US demand performed better. De-stocking continued in all markets and high transaction prices, caused by the record-high price level of the alloying materials – nickel, ferrochrome and molybdenum – affected adversely on demand. The exports from Europe to Asian markets faced growing problems as the growth in Chinese demand slowed and local production in China continued to increase strongly. The European base price for CR 304 sheet fell by 115 EUR/tonne in the second quarter. In order to restore balance in the market, Asian and European production was cut in the period.

The prices of the alloying materials for stainless steel remained exceptionally high in the period and the alloy surcharges of stainless steel rose to record levels. Nickel markets were undersupplied and the price averaged 16 411 USD/tonne in the quarter, a 7% increase from the previous quarter. The lower than earlier estimated stainless steel production and the better availability of stainless scrap are expected to help in balancing the nickel markets in the latter half of 2005. Ferrochrome markets were undersupplied and the price remained historically high. The contract price for the period was 0.78 USD/lb, unchanged from the previous quarter. The contract price for the third quarter of 2005 was agreed to 0.73 USD/lb. A general expectation is that ferrochrome markets would move to a slight oversupply in the second half of 2005. The price of iron scrap fell 13% in the period and the price of molybdenum rose 11% accordingly.

In the second quarter, the euro weakened by 4% against the US dollar and by 2% against the British pound but strengthened by 2% against the Swedish krona. The strengthening of the US dollar had a positive impact on operating profit mainly through sales of stainless steel to Asian markets. A substantial amount of the cost base of Specialty Stainless is in the Swedish krona and some of General Stainless' in the British pound, whereas major part of the revenue is generated in euros. Consequently, the weakening in the Swedish krona had a positive impact on operating profit, whereas the strengthening of the British pound had a negative impact.

Outokumpu's sales totaled EUR 1 589 million in the second quarter, an increase of 9% from the previous quarter and an increase of 24% compared with the corresponding period last year. Stainless steel deliveries were 5% lower than in the previous quarter, but 3% higher than in April-June 2004. Operating profit totaled EUR 157 million, an increase of EUR 39 million (33%) from January-March. All businesses improved their profits, General Stainless by EUR 25 million, Specialty Stainless by EUR 6 million and Technology by EUR 12 million. Operating profit for the second quarter had a significant positive impact from inventory gains due to timing differences between the alloy surcharge and inventory turnover, whereas the corresponding impact on first quarter profits was negative. Market price gains and losses improved operating profit by EUR 19 million in the second quarter compared with EUR 5 million in the first quarter.

The Commercial and Production Excellence programs to improve operational performance are progressing. Commercial Excellence emphasizes a customer-focused business approach, in which the goal is to continuously improve the management of customer relations and 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 Outokumpu's mills. It includes very practical ways of identifying issues in the normal everyday work that need correction or improvement. The Production Excellence program will cover all Outokumpu's stainless steel operations. The findings and methods of improvement gained from this program are being compared and best practices are selected for application throughout the organization.

During the third quarter, the difficult market situation is likely to continue particularly in Europe, where the holiday season is slowing down the business activity. To balance its own production, Outokumpu has decided to cut production in all of its melt shops by a total of some 100 000 tonnes in the third quarter. Further actions will be subject to market development. Due to the current market situation and planned production cuts, the increase in Outokumpu's deliveries of finished products in 2005 will be more modest than previously announced.

General Stainless' profit improved in spite of weakened demand

General Stainless

EUR million	I/04	II/04	III/04	IV/04	2 004	I/05	II/05
Sales	1 080	1 178	1 014	1 213	4 485	1 342	1 219
of which Tornio Works	522	578	471	613	2 183	699	657
Operating profit	88	81	46	80	295	75	100
of which Tornio Works	70	67	47	57	241	59	74
Operating capital at the end of period	2 734	2 854	2 928	2 988	2 988	3 021	3 026
Deliveries of main products (1 000 tonnes)							
Cold rolled	215	195	195	191	796	205	180
White hot strip	77	72	54	116	320	97	82
Other	238	251	173	198	860	246	205
Total deliveries of the division	529	518	422	506	1 976	547	467

General Stainless' sales in the second quarter decreased by 9% compared with January-March. Despite lower deliveries and base prices, operating profit was EUR 100 million, an increase of EUR 25 million from the previous quarter. This was primarily the result of an improved product and market mix as well as inventory gains due to timing differences between the alloy surcharge and inventory turnover. The share of sales to Europe and of molybdenum grades both increased. In the second quarter, Tornio Works' operating profit amounted to EUR 74 million in spite of the decreased delivery volumes. In Coil Products Sheffield, restructuring negotiations were completed and 35 jobs will be made redundant in the third quarter. Sheffield Primary Products benefited from inventory gains and improved recovery of scrap from the process. Outokumpu Stainless Tubular Products' operating profit was satisfactory despite reductions in production volumes made to reduce inventories.

The Tornio ramp-up is completed. The final part of the scheduled ramp-up was the new cold rolling mill (RAP5). By the end of June, RAP5 has achieved the capability to produce all the steel grades and dimensions originally specified. The expansion covering the steel melt shop, the hot rolling mill and the new cold rolling mill is technically available. In June, a new cold rolled production record, which was above the original target, was achieved at RAP5.

Production cuts in Tornio and Sheffield together low base prices will significantly reduce General Stainless' operating profit in the third quarter. However, when the excess stocks in the market are stripped down, demand and prices are expected to improve.

Specialty Stainless delivered good profits

Specialty Stainless

EUR million	I/04	II/04	III/04	IV/04	2 004	I/05	II/05
Sales	570	638	531	670	2 409	718	750
Operating profit	41	38	33	42	154	55	61
Operating capital at the end of period	1 038	1 107	1 094	1 143	1 143	1 137	1 232
Deliveries of main products (1 000 tonnes)							
Cold rolled	51	50	33	45	178	46	57
White hot strip	65	61	42	62	231	65	50
Other	133	138	121	126	517	132	132
Total deliveries of the division	249	249	195	233	926	243	239

Specialty Stainless' sales increased by 4% compared to the previous quarter. Operating profit improved to EUR 61 million. The slightly decreased delivery volume was offset by improved product and market mix as well as inventory gains due to timing differences between the alloy surcharge and inventory turnover. Prices for Specialty Stainless' products have not declined at the same pace as the prices for standard products. Also, the weakening of the Swedish krona against the euro improved profits of Specialty Stainless' Swedish units.

In March, a comprehensive business capacity review aimed at improved profitability was initiated in Sheffield Special Strip. As a result, 100 jobs have been made redundant during the second quarter.

In July, Outokumpu signed an agreement to sell the Stainless Welding business, Avesta Welding, including its distribution channels, to Böhler-Uddeholm of Austria. The welding business has its main operations in Sweden, Indonesia and in the US and employs some 160 people. Sales for the business in 2004 were EUR 38 million. The deal has no significant impact on Outokumpu's results.

In project and contract businesses, prices stayed at fairly good level in the second quarter. However, many customers are still postponing their decision-making where they can because of the high prices. The holiday season in Europe slows down business activity in the third quarter after which order intake for projects is expected to pick up.

Technology's profit improved – order backlog record high

Technology

EUR million	I/04	II/04	III/04	IV/04	2 004	I/05	II/05
Sales	81	104	91	146	423	65	158
Operating profit	9	(1)	2	20	30	(8)	4
Operating capital at the end of period	27	45	29	39	39	40	32
Order backlog at the end of period	390	336	423	458	458	490	520

Outokumpu Technology's sales were strong in the second quarter and the sales more than doubled from the first quarter. This was due to good progress in the projects under implementation. Consequently, operating profit also improved considerably. In the first half of 2005, sales have increased by 21% on the previous year.

Technology's order backlog continued to grow and reached a record high of EUR 520 million at the end of June. Order intake in the second quarter was strong at EUR 172 million. Some of the most significant new orders booked were an alumina calciner to Alcan Gove in Australia, EUR 14 million, copper technology to Mopani smelter in Zambia, EUR 13 million, and ferrous technology to Moma Sands in Mozambique, EUR 13 million. Outokumpu Technology also made breakthroughs in industrial minerals technologies as well as in oil sands technology in Canada. Negotiations relating to several new contracts are well advanced.

The market situation is good. Investment activity within the metals and mining industry is expected to remain robust and Outokumpu Technology's order backlog is forecast to remain strong throughout the year. Investment activity in the copper industry is also improving. Based on the strong order backlog, operating profit for the whole year is expected to improve from last year, excluding the non-recurring gains.

Other operations

Other operations

EUR million	I/04	II/04	III/04	IV/04	2 004	I/05	II/05
Sales	55	50	56	57	218	55	64
Operating profit	(4)	(10)	(4)	(14)	(33)	0	(10)
Operating capital at the end of period	89	83	113	58	58	43	44

Other operations consists of activities outside the Group's 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. Operating profit for the first quarter included a EUR 25 million non-recurring gain on the sale of the Boliden shares. Market price gains and losses improved operating profit by EUR 12 million in the second quarter (I/2005: EUR 5 million negative).

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

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News conference and live web cast today at 3.00 pm

A combined news conference, conference call and live webcast concerning the second-quarter interim report will be held today on July 26, 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 0090 (UK) or +1 334 323 6201 (US & Canada). The password is Outokumpu.

The news conference can be viewed live via the 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 July 26, 2005 at 5.00 pm. An instant reply service of the conference call will be available until Friday, July 29, 2005 in the following numbers: +44 20 7031 4064 (UK) or +1 954 334 0342 (US & Canada). The access code is 665496.

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INTERIM REVIEW BY THE BOARD OF DIRECTORS

New business structure in place

In Outokumpu's new organizational structure effective on April 1, 2005, the Group's main business, stainless steel, has been organized according to product types into two divisions and into a separate Outokumpu Stainless Tubular Products business unit. The General Stainless division comprises three business units: Tornio Works, Coil Products Sheffield and Sheffield Primary Products. Outokumpu Stainless Tubular Products is reported as part of the General Stainless division. The Specialty Stainless division consists of five business units: Avesta Works, Thin Strip, Hot Rolled Plate, Long Products and Sheffield Special Strip.

Outokumpu Technology is managed at arms-length as a stand-alone business through Technology's board of directors, and reported as a separate business. The Group's Other operations consists of industrial holdings as well as activities outside the divisions, such as Corporate Management and support functions. The divested fabricated copper products business and the Tube and Brass business, to be divested at a later date, are reported as discontinued operations.

Changes in accounting principles implemented in the second quarter

Based on the revised IAS 1 standard, Outokumpu presents from second quarter 2005 onwards market price gains and losses above operating profit. Comparative figures have been restated accordingly. The reclassification has no effect on the Group's net profits for the financial periods.

In June 2005, the International Accounting Standards Board (IASB) decided to withdraw IFRIC Interpretation 3 in accounting for carbon dioxide emission allowances. Following the decision Outokumpu has changed the accounting treatment of emission allowances. The effect of IFRIC 3 on the reported first quarter operating profit was EUR 0.2 million negative. This amount has been reversed in June 2005.

Solid financial results

The Group's sales in the first half of 2005 increased by 23% compared with January-June 2004 and amounted to EUR 3 044 million (I-II/2004: EUR 2 479 million). The increase was primarily attributable to higher average prices received as delivery volumes were only marginally higher than in the first half of 2004. Operating profit amounted to EUR 274 million (I-II/2004: EUR 248 million). The main contributor to the improved profit was Specialty Stainless with a significant EUR 37 million improvement due to better product mix.

Non-recurring items amounting to EUR 25 million (I-II/2004: EUR 17 million) comprise the gain from the sale of the Boliden shares. In 2004, the non-recurring gain related to the sale of the Group's filter business. The share of results in associated companies was EUR 1 million (I-II/2004: EUR 24 million). The decrease compared with the previous year is due to Boliden, which is no longer accounted for as an associated company in 2005. Net financial expenses totaled EUR 23 million (I-II/2004: EUR 18 million). Net profit for the period from continuing operations amounted to EUR 193 million (I-II/2004: EUR 206 million) and the net loss from discontinued operations to EUR 341 million. Earnings per share from continuing operations amounted to EUR 1.06 and from discontinued operations EUR 1.88 negative. Return on capital employed was 12.2% (I-II/2004: 11.1%).

Capital structure

Net cash generated from operating activities was EUR 121 million (I-II/2004: EUR 263 million negative). Net interest-bearing debt fell to EUR 1 822 million (Dec. 31, 2004: EUR 2 435 million), but was EUR 127 million higher than at the end of the first quarter. Divestiture of the Group's fabricated copper

products businesses and the sale of shares in Boliden reduced indebtedness during the first quarter. In the second quarter, dividend payments and higher working capital increased indebtedness.

At the end of June, the Group's equity-to-assets ratio stood at 37.2% (Dec. 31, 2004: 35.8%) and gearing ratio at 80.6% (Dec. 31, 2004: 97.2%).

Tornio expansion completed

The Tornio ramp-up is now completed. By the end of June, the new cold rolling mill (RAP5) has achieved the capability to produce all the steel grades and dimensions originally specified. The expansion covering the steel melt shop, the hot rolling mill and the new cold rolling mill is technically available.

In January - June, capital expenditure amounted to EUR 78 million (I-II/2004: EUR 209 million). The expansion project of the stainless steel cold rolling mill in Kloster, Sweden, is proceeding according to plan. The Group's capital expenditure for 2005 is expected to be EUR 250-300 million.

EUR 1 billion revolving credit facility signed

In June, Outokumpu signed a five-year revolving credit facility of EUR 1 billion. The facility was oversubscribed and its initial launch amount of EUR 800 million was subsequently increased to EUR 1 billion. The facility is a committed credit facility and it replaces the comparable EUR 875 million facility of May 2003.

Sale of fabricated copper products business finalized

Sale of the Group's fabricated copper products business to Nordic Capital was finalized on June 7, 2005. After final adjustments, the total consideration was EUR 612 million and the loss from the disposal amounted to EUR 246 million. The scope of the transaction comprised the following divisions and businesses of the Outokumpu Copper business area: Americas, Europe, Automotive Heat Exchangers, Appliance Heat Exchangers & Asia, including 100% of Outokumpu Heatcraft, and the Forming equipment businesses.

Sales by the sold businesses in 2004 amounted to EUR 1 664 million and the number of personnel employed totaled 6 400 at the end of the year. Personnel continue with Nordic Capital under their existing employment terms and conditions. It has also been agreed by the parties that the sold businesses will continue to use the name Outokumpu Copper Products Oy during a transition period of up to 12 months after closing.

The Tube and Brass business excluded from the transaction comprises the European sanitary and industrial tubes, including air-conditioning and refrigeration tubes in Europe, as well as brass rod.

The EUR 341 million loss from discontinued operations comprises the result of fabricated copper products business in the first quarter, the EUR 246 million loss from the sale to Nordic Capital, the impairment loss of EUR 83 million recognized on the Tube and Brass business as well as its result for the first half of 2005. The assets and liabilities of Tube and Brass business have been presented as held for sale. Tube and Brass posted an operating loss of EUR 5 million in the first half of 2005 and the operating capital at the end of June was EUR 140 million.

As earlier announced, 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.

Stainless Welding business sold

In July, Outokumpu signed an agreement to sell the Stainless Welding business, Avesta Welding, including its distribution channels, to Böhler-Uddeholm of Austria. Sales for the business in 2004 were EUR 38 million and it employs some 160 people. Closing of the transaction is subject to the customary regulatory clearances. The deal has no significant impact on Outokumpu's results.

Environment, health and safety

The EU emissions trading system started in January 2005. In February, carbon dioxide allowances and associated permits were granted to the Tornio site in Finland and steel making and casting plants in Avesta and Degerfors in Sweden. In Finland and in Sweden the national registers for allowances have been set up. The Sheffield melt shop utilized the opt-out possibility for the period 2005 to 2007 provided by the British Climate Change Levy system. This opt-out has now been approved and formal notification of it is expected shortly. As a consequence of this, a new energy efficiency performance target will be set for 2005. Preparations for applying allowances in 2006 for the Kyoto period 2008-2012 have been started. At most of the Group's sites, emissions and discharges were well below permission levels. However, some minor breaches against permit levels occurred at Sheffield and Tornio.

The group-wide safety theme year has continued with a variety of activities at different locations. A safety target for the Group of no more than 5 accidents per million man-hours before 2009 has been set. During January-June, the accident rate was 19 per million man-hours (I-II/2004: 19). In the stainless steel business the rate was 17 per million man-hours (I-II/2004: 22). No major accidents were reported during the first half of 2005.

Visibility weak beyond the third quarter

The outlook for stainless steel markets in the immediate future is rather depressed. Slow European economic growth does not support a recovery in European demand and the base prices are still seen drifting lower in Europe in the third quarter. Another factor causing pressure on prices is the still ongoing inventory adjustment process. Although de-stocking is continuing, it takes some time to restore the supply-demand balance to the market. In spite of the current market conditions, longer-term market fundamentals are expected to remain healthy.

During the third quarter, difficult market situation is likely to continue particularly in Europe, where the holiday season is slowing down the business activity. To balance its own production, Outokumpu has decided to cut production in all of its melt shops by a total of some 100 000 tonnes in the third quarter. Further actions will be subject to market development. Consequently, the increase in Outokumpu's deliveries of finished products in 2005 will be more modest than previously announced.

Based on the weak demand outlook for the third quarter and Outokumpu's planned production cuts, the Group's operating profit for the third quarter is expected to be clearly lower than in the third quarter of 2004. Therefore, operating profit for the whole year is estimated to fall short of 2004. However, once the market is more balanced, Outokumpu is well positioned to meet its financial targets.

Espoo July 26, 2005

Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Condensed Income Statement

EUR million	Jan-June 2005	Jan-June 2004	Jan-Dec 2004
Continuing operations:			
Sales	3 044	2 479	5 122
Other operating income	30	46	73
Costs and expenses	(2 799)	(2 273)	(4 733)
Other operating expenses	(1)	(4)	(9)
Operating profit	274	248	453
Share of results in associated companies	1	24	78
Financial income and expenses			
Net interest expenses	(34)	(30)	(66)
Market price gains and losses	9	9	(29)
Other financial income and expenses	2	3	4
Profit before taxes	252	254	440
Income taxes	(59)	(48)	(61)
Net profit for the period from continuing operations	193	206	379
Discontinued operations:			
Net (loss), profit for the period from discontinued operations	(341)	21	7
Net (loss), profit for the period	(147)	227	386
Attributable to:			
Equity holders of the Company	(149)	225	382
Minority interest	1	3	4
Earnings per share for profit attributable to the equity holders of the Company:			
Earnings per share, EUR	(0.82)	1.25	2.12
Earnings per share, EUR - diluted	(0.82)	1.25	2.12
Earnings per share from continuing operations attributable to the equity holders of the Company:			
Earnings per share, EUR	1.06	1.14	2.08
Earnings per share from discontinued operations attributable to the equity holders of the Company:			
Earnings per share, EUR	(1.88)	0.12	0.04

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

Condensed Balance Sheet

EUR million	June 30 2005	June 30 2004	Dec 31 2004
ASSETS			
Non-current assets			
Intangible assets	591	608	620
Property, plant and equipment	2 227	2 708	2 743
Non-current financial assets			
Interest-bearing	243	616	409
Non interest-bearing	48	56	55
	3 109	3 989	3 827
Current assets			
Inventories	1 466	1 633	1 579
Current financial assets			
Interest-bearing	236	95	70
Non interest-bearing	1 027	1 390	1 390
Cash and cash equivalents	102	137	211
	2 831	3 255	3 250
Receivables related to assets held for sale	228	-	-
Total assets	6 167	7 244	7 077
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the Company	2 246	2 304	2 468
Minority interest	16	39	38
	2 262	2 343	2 506
Non-current liabilities			
Interest-bearing	1 721	2 034	1 975
Non interest-bearing	397	532	442
	2 117	2 566	2 417
Current liabilities			
Interest-bearing	822	1 310	1 150
Non interest-bearing	878	1 024	1 003
	1 700	2 334	2 153
Liabilities related to assets held for sale	88	-	-
Total equity and liabilities	6 167	7 244	7 077

Consolidated statement of changes in equity

EUR million	Attributable to equity holders of the Company									Total equity
	Share capital	Unregistered share capital	Share premium fund	Other reserves	Fair value reserves	Treasury shares	Cumulative translation differences	Retained earnings	Minority interest	
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	-	-	-	-	4	-	-	-	-	4
Fair value gains on available-for-sale financial assets	-	-	-	-	(4)	-	-	-	-	(4)
Net investment hedges	-	-	-	-	-	-	0	-	-	0
Change in translation differences	-	-	-	-	-	-	13	-	1	14
Items recognised directly in equity	-	-	-	-	0	-	13	-	1	14
Net profit for the period	-	-	-	-	-	-	-	(149)	1	(148)
Total recognised income and expenses	-	-	-	-	0	-	13	(149)	1	(135)
Dividends paid	-	-	-	-	-	-	-	(91)	-	(91)
Management stock option program: value of received services	-	-	-	-	-	-	-	2	-	2
Transfer of treasury shares	-	-	1	-	-	3	-	-	-	4
Effect of the sale of the fabricated copper products business	-	-	-	-	-	-	-	-	(24)	(24)
Other changes	-	-	-	(1)	-	-	-	-	-	(1)
Equity on June 30, 2005	308	-	701	12	15	(2)	(46)	1 258	16	2 262

Condensed Statement of Cash Flows

EUR million	Jan-June 2005	Jan-June 2004	Jan-Dec 2004
Net profit for the period	(147)	227	386
Adjustments	456	118	196
Change in working capital	(188)	(608)	(710)
Net cash generated from operating activities	121	(263)	(128)
Purchases of assets	(78)	(246)	(473)
Proceeds from asset disposal	596	18	327
Change in other investing activities	(1)	(65)	(6)
Cash flow before financing activities	638	(556)	(279)
Net cash generated from financing activities	(735)	475	235
Adjustments	(12)	(15)	26
Decrease in cash and cash equivalents	(109)	(96)	(19)

Key figures

EUR million	Jan-June 2005	Jan-June 2004	Jan-Dec 2004
Operating profit margin, %	9.0	10.0	8.8
Return on capital employed, %	12.2	11.1	10.0
Return on equity, %	(12.4)	20.5	16.8
Return on equity from continuing operations, %	16.2	18.6	16.5
Capital employed at end of period	4 084	4 839	4 941
Net interest-bearing debt at end of period	1 822	2 496	2 435
Equity-to-assets ratio at end of period, %	37.2	32.7	35.8
Debt-to-equity ratio at end of period, %	80.6	106.5	97.2
Earnings per share, EUR	(0.82)	1.25	2.12
Earnings per share from continuing operations, EUR	1.06	1.14	2.08
Earnings per share from discontinued operations, EUR	(1.88)	0.12	0.04
Average number of shares outstanding, in thousands ¹⁾	181 002	179 350	180 057
Fully diluted earnings per share, EUR	(0.82)	1.24	2.12
Fully diluted average number of shares, in thousands ¹⁾	181 045	180 722	180 172
Equity per share at end of period, EUR	12.41	12.75	13.65
Number of shares outstanding at end of period, in thousands ¹⁾	181 032	180 752	180 752
Capital expenditure, continuing operations	78	209	414
Depreciation, continuing operations	107	93	191
Average personnel for the period, continuing operations	11 654	11 839	11 787

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 (Discontinued Operations). IFRS 5 has been applied to Outokumpu Copper and it is specified in a separate note: Discontinued operations and assets held for sale. Based on the revised IAS 1 standard, Outokumpu presents from second quarter 2005 onwards market price gains and losses above operating profit instead of financial income and expenses. Furthermore, application of International Financial Reporting Interpretation Committee's (IFRIC) interpretation IFRIC 3 (Emission Rights) has been reversed in June 2005.

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 the IFRS 2 has reduced operating profit by EUR 0.4 million in 2003, EUR 1.7 million in 2004 and EUR 1.0 million in the first half of 2005.

Reclassification of market price gains and losses

Based on the revised IAS 1 standard, Outokumpu presents from the second quarter 2005 onwards gains and losses on derivative instruments above operating profit, and in financial income and expenses only when the derivative instrument is assigned to financial assets or liabilities. Exchange gains and losses from accounts receivable and payable will also be presented above operating profit. The comparative figures have been restated accordingly. The reclassification has no effect on the Group's net profits for the financial periods.

Emission allowances

As of January 1, 2005 Outokumpu applied IFRIC Interpretation 3 in accounting for carbon dioxide (CO₂) emission allowances. In June 2005, the International Accounting Standards Board (IASB) decided to withdraw IFRIC 3 with immediate effect. Following the decision Outokumpu has changed the accounting treatment for emission allowances. Accounting for CO₂ allowances is based on current IFRS standards where purchased CO₂ allowances are accounted for as intangible assets at cost, whereas CO₂ emission allowances received free of charge are accounted for at nominal value, i.e. at zero. A provision to cover the obligation to return emission allowances is recognized provided that emission allowances received free of charge will not cover the actual emissions. Consequently the possible effect in operating profit will reflect the difference between what has been emitted and the received emission allowances. The effect of IFRIC 3 on the reported first quarter operating profit was negative EUR 0.2 million. This amount has been reversed in June 2005. At the end of June, emission allowances are not reflected in Outokumpu's financial statements because no allowances have been purchased or sold and because it is estimated that actual emissions will not exceed the amount of received allowances in 2005.

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 June 30, 2005. Outokumpu Oyj held 218 603 treasury shares on June 30, 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 June 30, 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 2003 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 the 2003C stock options are fully exercised, 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 not longer than one year from the decision of the General Meeting. By July 26, 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 not

longer than one year from the decision of the General Meeting. By July 26, 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 not longer than one year from the decision of the General Meeting. By July 26, 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 sold its fabricated copper products business to Nordic Capital. The sale was finalized on June 7, 2005. The scope of the transaction comprised the following divisions and businesses of the Outokumpu Copper business area: Americas, Europe, Automotive Heat Exchangers, Appliance Heat Exchanger & Asia, including 100% of Outokumpu Heatcraft, and the Forming equipment businesses. The 2004 sales of the sold businesses were EUR 1 689 million and the number of personnel was 6 400 at the end of the year. The Tube and Brass business that is excluded from the transaction comprises the European sanitary and industrial tubes, including air-conditioning and refrigeration tubes in Europe, as well as brass rod. Outokumpu's intention is to divest the business at a later date.

The total consideration for the transaction, EUR 612 million, comprised a cash component of EUR 512 million and a USD-denominated long-term subordinated vendor note of EUR 100 million. Outokumpu recognized a capital loss of EUR 246 million from the disposal. Furthermore, an EUR 83 million impairment loss on the remaining Tube and Brass business has been recognized based on the management's valuation of the business. As a result of the Finnish participation exemption tax rules, the losses are not tax deductible. The whole Outokumpu Copper segment was classified as discontinued operations on March 31, 2005. Loss from discontinued operations, EUR 341 million, comprise the net result of the sold fabricated copper products business for the first quarter, the EUR 246 million loss from the sale to Nordic Capital and the impairment loss of EUR 83 million recognized on the Tube and Brass business as well as its result for the first half of 2005. The loss from discontinued operations has been recorded in the income statement on single line after the profit from continuing operations. The assets and liabilities of Tube and Brass are reported as held for sale.

Specification of discontinued operations and assets held for sale
Income statement

EUR million	Jan-June 2005	Jan-June 2004	Jan-Dec 2004
Sales	662	1 045	2 050
Expenses	(661)	(999)	(1 978)
Operating profit	1	46	72
Net financial items	(7)	(12)	(35)
Profit before taxes	(6)	34	37
Taxes	(5)	(10)	(26)
(Loss), profit after taxes	(11)	24	11
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	(246)	-	-
Taxes	-	-	-
After-tax loss recognized on the measurement of assets and liabilities of the disposal group	(329)	-	-
Minority interest	(1)	(2)	(3)
Net (loss), profit for the period from discontinued operations	(341)	21	7

Cash flows

EUR million	Jan-June 2005
Operating cash flows	(76)
Investing cash flows	(15)
Financing cash flows	77
Total cash flows	(14)

Balance sheet

EUR million	June 30 2005
Assets	
Tangible assets	12
Inventories	111
Other current assets	105
	228
Liabilities	
Provisions	26
Other non-current liabilities	3
Trade payables	41
Other current liabilities	18
	88

Major non-recurring items in operating profit

EUR million	Jan-June 2005	Jan-June 2004	Jan-Dec 2004
Gain/loss on the sale of the Boliden shares	25	-	(19)
Release of the Finnish TEL disability pension liability	-	-	22
Gain on the sale of the filter business	-	17	16
	25	17	19

Income taxes

EUR million	Jan-June 2005	Jan-June 2004	Jan-Dec 2004
Current taxes	(36)	(25)	(50)
Deferred taxes	(23)	(23)	(11)
	(59)	(48)	(61)

Commitments

EUR million	June 30 2005	June 30 2004	Dec 31 2004
Mortgages and pledges			
To secure borrowings of Group companies	88	137	112
Guarantees			
On behalf of associated companies	4	4	4
On behalf of other parties	49	47	38
	53	51	42
Minimum future lease payments on operating leases	121	149	146

Open derivative instruments

EUR million	June 30	Dec 31	June 30	Dec 31
	2005	2004	2005	2004
	Net fair values		Contract amounts	
Currency and interest rate derivatives				
Currency forwards	8	26	1 620	1 247
Currency options				
Purchased	-	0	-	7
Written	-	0	-	8
Currency swaps	-	(1)	-	21
Interest rate swaps	(0)	(2)	125	172
			Tonnes	Tonnes
Metal derivatives				
Copper forward and futures contracts	(3)	3	46 900	50 150
Copper options				
Purchased	-	0	-	20 522
Nickel forward and futures contracts	0	1	1 548	1 758
Zinc forward and futures contracts	(0)	0	22 025	39 000
Aluminium forward and futures contracts	0	0	1 050	2 550
			TWh	TWh
Electricity derivatives				
Traded electricity forwards and futures	1	0	0.1	0.1
Other financial contracts	6	0	4.8	5.0

Income statement by quarter

EUR million	I/04	II/04	III/04	IV/04	2004	I/05	II/05
Continuing operations:							
Sales	1 196	1 283	1 143	1 500	5 122	1 456	1 589
Operating profit	128	121	77	128	453	118	157
Share of results in associated companies	16	8	31	24	78	(1)	2
Financial income and expenses	(13)	(4)	(33)	(41)	(92)	(8)	(15)
Profit before taxes	130	124	75	111	440	108	144
Income taxes	(31)	(17)	(17)	4	(61)	(20)	(39)
Net profit for the period from continuing operations	99	107	58	115	379	89	105
Net profit, (loss) for the period from discontinued operations	33	(12)	(5)	(9)	7	(333)	(8)
Net profit, (loss) for the period	132	96	53	106	386	(244)	97

Attributable to:

Equity holders of the Company	130	95	52	105	382	(245)	96
Minority interest	2	1	0	0	4	1	(1)

Major non-recurring items in operating profit

EUR million	I/04	II/04	III/04	IV/04	2 004	I/05	II/05
General Stainless							
Release of the Finnish TEL disability pension liability	-	-	-	13	13	-	-
Technology							
Release of the Finnish TEL disability pension liability	-	-	-	5	5	-	-
Gain on the sale of the filter business	18	(1)	-	(1)	16	-	-
Other operations							
Release of the Finnish TEL disability pension liability	-	-	-	4	4	-	-
Gain/loss on the sale of the Boliden shares	-	-	-	(19)	(19)	25	-
	18	(1)	-	2	19	25	-

Key figures by quarter

EUR million	I/04	II/04	III/04	IV/04	I/05	II/05
Operating profit margin, %	10.7	9.4	6.8	8.5	8.1	5.1
Return on capital employed, %	11.8	10.3	6.3	10.4	10.6	15.6
Return on equity, %	24.1	16.5	8.9	17.2	(41.0)	(26.1)
Return on equity, continuing operations, %	18.1	18.6	9.7	18.7	14.9	18.6
Capital employed at end of period	4 543	4 839	4 919	4 941	3 953	4 084
Net interest-bearing debt at end of period	2 261	2 496	2 515	2 435	1 695	1 822
Equity-to-assets ratio at end of period, %	33.1	32.7	33.6	35.8	35.5	37.2
Debt-to-equity ratio at end of period, %	99.0	106.5	104.6	97.2	75.0	80.6
Earnings per share, EUR	0.73	0.52	0.29	0.58	(1.35)	0.53
Earnings per share from continuing operations, EUR	0.54	0.59	0.32	0.63	0.49	0.57
Earnings per share from discontinued operations, EUR	0.19	(0.07)	(0.03)	(0.05)	(1.84)	(0.04)
Average number of shares outstanding, in thousands ¹⁾	178 081	180 742	180 752	180 752	180 901	181 032
Equity per share at end of period, EUR	12.43	12.75	13.08	13.65	12.39	12.41
Number of shares outstanding at end of period, in thousands ¹⁾	178 914	180 752	180 752	180 752	181 032	181 032
Capital expenditure, continuing operations	133	76	91	114	37	41
Depreciation, continuing operations	44	48	48	50	53	54
Average personnel for the period, continuing operations	11 681	11 997	11 960	11 513	11 475	11 833

1) The number of own shares repurchased is excluded.