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Speakers: Mika Seitovirta (CEO); Reinhard Florey (CFO)

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JOHANNA HENTTONEN: Good afternoon, ladies and gentlemen, and welcome to Outokumpu's Third Quarter 2014 webcast. My name is Johanna Henttonen and I am heading Investor Relations at Outokumpu. Today we will start the presentation and first our CEO Mika Seitovirta will give an overview; after that we have our CFO Reinhard Florey to go into the numbers and then Mika will do the closing remarks. After that we will have the Q&A session as usual. So, warmly welcome, and with this I will invite Mika to the stadium, thank you.

MIKA SEITOVIRTA: Good afternoon, everybody. Let me start by going through the third-quarter highlights in brief. It was an important quarter for us at Outokumpu and we felt that we had a lot of progress towards the right direction. Maybe the biggest thing was that we managed to turn our cash flow positive again, we had a €23 million positive operative cash flow. We managed to keep our net debt stable, so exactly the same number as at the end of Q2, which was €2,068 million. Of course, when you combine these things we look positively also forward, deleveraging the company is one of our key targets and the continuing positive cash flow even towards the year-end will support this target. Concerning price increases, we got on a Group level, €10 to €20 per tonne increases in Q3. It is according to our strategy. It's the third quarter, consecutive quarter in a row, that we managed to get price increases, and we will stick to this strategy even onwards. Even though the slow quarter is typically the quarter three, however this time we avoided the deep dive that we still had last year, so we had our maintenance breaks, we had actually quite long maintenance breaks during quarter three, Tornio four weeks, Avesta four weeks as well, we are preparing for the volume allocations

from Bochum, but still we had a very good year-on-year improvement between the quarters.

The overall savings targets we have increased already at our Capital Markets Day. The Q3 only confirmed that that was exactly the thing and the right timing to do now. So we have increased P150 to P250 and at the same time our working capital efficiency programmes to P300 to P400. However, it is worth noticing that, when it comes to cash flow development, working capital development, so we stick to the original P300 target for this year, so the P400 is something that is coming on top during next year. Overall, cost-cutting and reductions programmes, they go up to €550 million, which is €80 million more than what we have previously targeted. Market conditions changed also during Q3, having an impact on Q4. The biggest one being obviously the nickel price development where, during September/October, there was a 20 per cent drop and that drop meant that the distributor market as we see it right now very much moved to next year's side. We can also see that, if we look at our current order intakes, so it's rather good, but we are booking next year. In Americas we are very much booking already February and in Europe it's more the beginning of the year, but together with our savings programmes and together with this situation, so we look optimistically the beginning of the year.

The second thing that impacted the market during Q3 is Asian imports. During Q3, Asian imports were on a very high level, all in all an average of 33 per cent. Just to remind you, if you take Q2 number it was 31 per cent, if you take the 2013 the whole year number that was 24 per cent.

There are different schools how to read this obviously and one of the schools is that, because of the anti-dumping studies at the European Commission, so Asian importers, especially Chinese, are using this opportunity as long as they can. We don't know what is the right answer but we are of course following this very closely.

When it comes to end demand and the development, so here you can see the SMR updated numbers from September, and there is no big change in these numbers.

When it comes to stainless steel we are in the right industry and there is a positive end demand development for the coming years. Europe is positive, the three-quarter development we know so far is supporting this view that it could be 4 per cent for this year. It has been, after nine months, it's just been slightly above 6 per cent. If you take North America, the market is continuing strong, we believe that those numbers are very realistic, if not conservative.

And then maybe the biggest change is in China numbers, so they still have a good growth according to this SMR forecast, it's still 8 per cent for this year, 7 per cent for next year, but it's declining from numbers, which have been closer to 20 per cent than to 10 per cent. So that is a big change in the picture here.

Prices, I already mentioned, we've got base price increases, and I think it's important to look at the trends here. If we look at the long-term trends they have been declining for a longer time, it doesn't matter whether we are talking about Europe, whether we are talking about US or China, and now we have seen a change. However, we are still on a historically very low level. If we look at the German reference price for 304 in stainless you can see that it has been turning upwards and now with the sudden nickel change it has been stabilising a little bit. The interesting thing is of course how is the price difference working here and what you can get from the statistics here using CRU, so it shows that we are on a level of roughly 20 per cent and it has been increasing the last years a little bit each and every year.

This is just to show you how significant the drop was with the nickel and of course that is impacting the market and that is also creating a downward trend in the stock levels, so order intake moves when these kind of things happen, so it's not a new pattern, but it's maybe exceptionally strong and not that much anticipated this year.

And let's have a quick look on the different five business areas that we have and the EBITDA developments. Coil EMEA is improving very well their performance. That is proof to us that the industrial concept that we started to consolidation through new volume allocations, through higher utilisation to better mix, is working. We are very much on plan that we introduced to you already some time ago in connection with the merger. We are also very much on target when it comes to Bochum ramp-down, which is going to happen then somewhere, second quarter most likely, next year. So very good development in a still very challenging market environment.

Coil Americas, we have good development year on year, so clearly we are doubling the volumes against last year, we are having the portfolio that we are supposed to have by the end of the year when the technical ramp-up is over. Q3, and obviously as well Q4 a little bit, that is going to be impacted because of the repair in the cold-rolling mill where we lost for all three lines, we lost roughly two weeks, and actually for the smallest line that is going to be back into use only somewhere just before the year-end. So the problems are fixed and that doesn't have an impact for next year, so we are continuing the Calvert story exactly as planned.

APAC, very turbulent market environment, very much changing volatile raw material prices have impacted our performance there. It is stabilising now so actually our journey towards more specialties, less commodities, that continues according to our own internal milestones.

Quarto Plate, the challenges we have there, because obviously it's a very unsatisfactory result there, they are not market related but they are clearly ramp-up related. The good thing is that we know the bottlenecks currently, we know how to fix them, it's not the first time we are doing a ramp-up here, and we can see also week by week improving volumes and, even as you can see, the numbers are still bad, but they are improving between the quarters here.

Long Products, it's a good story for this year, so they are really having good profitability development. They have a very nice growth in US, but also in Europe, although they are facing some pressure now because of seasonality, so you had somewhat weaker EBIT and EBITDA development on the third against the second. But that's exactly how it is planned, so overall a very good year there. Now I would like to give over to my colleague Reinhard to drill down a little bit more in the numbers.

REINHARD FLOREY: Thank you, Mika. A very warm welcome from my side too. I would like to give you an overview about the financials of the group.

In general, we have seen, as expected, some weaker development on the volume side. We have come out with the deliveries a little bit lower than in the second quarter, however still at a better level than in the comparable quarter of last year. In spite of that, our sales still are on a higher level. This is according to the price increases as well as the, in general, still good development of the alloy surcharge that we have there.

The lower deliveries certainly had an impact on our underlying EBIT. We are coming out at a level of minus €28 million. However, we were able to compensate that by positive developments on the side of the hedging and of the timing effect with more than €31 million so that, overall, there is an important milestone on our road to profitability and our turnaround road for all the group, which is a positive EBIT excluding NRIs.

On top of that, we had €12 million of non-recurring items, this is part of our improvement story, as part of the efficiency programmes, provisions specifically for redundancy costs, for taking down our headcount.

If we are talking about the general developments in Q3, the biggest effort and the biggest difference that you can see is certainly in cash flow. Our operating cash flow has reached positive numbers again with €23 million. Our free cash flow is still

positive with €10 million in Q3 and compared of course to the number of minus €257 million in Q2 that is a big change and according to the plans also to reach our abilities to be a cash provider again. So a very good development there.

On the capex we are staying at very moderate levels. As said, the overall capex level for this year will be lower than €160 million and we are on a very good way to that. We also have continued the way to reduce our personnel and overall you can see that the level of the non-recurring items, as you can see in this graph, is now - after the big effort that we have taken in the first quarter - on quite moderate levels and I will come to that also in my next slide.

Here on the next slide I would like to give you some development on our savings and efficiency programmes. This is an important part of our turnaround story and the backbone of the improvement of our cost position. We are taking very much advantage of the synergies that we can take from the merger and we have been very successful in accelerating the pace of gaining these synergies. So, to date, we have already reached €160 million out of the €200 million. We are anticipating that we will get to €170 million until the year-end and then we will be able to close the effort to reach €200 million already next year. This is an acceleration of two years compared to the original plan and, as you see, with the progress that we have made we are very confident that we will achieve that.

On the P150 side, we have announced on our Capital Markets Day that we will increase the savings by €100 million to a P250 programme. This is based on very good progress that we have made, so we have already overachieved the savings that we have anticipated for the €150 million in quarter three, some €180 million there, anticipating €190 million, so that we will have for the full year 2014 €360 million in savings in total. And, on top, for the next years, we will increase that in 2015 to €250 million and we will have then the savings from our EMEA restructuring programme, which will go up to €100 million over the course of the next three years.

For this total of €550 million in savings, we have anticipated that there will be about €220 million of one-time costs. Regarding the bookings of the provisions for these one-time costs, you can see here that we have already progressed very far, we have only €35 million for the full programme still outstanding, which means that we have €185 million already booked and already digested through our P&L.

We have also given here in this chart some hints regarding the cash out and you can see that we have anticipated more than €50 million of cash out in the years 2013 and 2014, the rest to come in 2015, 2016 and 2017, the larger part actually in 2015 with €80 million, €50 million in 2016 and then the rest, about €40 million, in 2017.

If we are looking into the individual business areas, and Mika has already gone through some of the highlights, I will get to a some more detailed view here to give you some of the developments.

Coil EMEA certainly has taken a very positive development in quarter three. While also EMEA of course was suffering some of the seasonal impact and lower deliveries, we have been able to increase the EBIT excluding NRIs to €38 million, this is more than doubling from the last quarter, and of course a huge difference to last year. The EBITDA has gone up to €85 million. So we are continuously taking advantage of the restructuring of the synergies that we are having here and of the structural measures in ramping-up Tornio and getting the volume transfer from the German melt shops to both Avesta and Tornio.

One thing though to mention is that in the ferrochrome production the output has been only 106,000 tonne in this quarter, this has been due to some technical topics. We had two topics there, one the one hand there was a transformer issue that we have discussed the last time, and we had some topic on one of the smaller furnaces, also in Q3. This leads to the situation that the anticipated total output for the year is now at estimated 450,000 tonne instead of the 470,000 tonne that we still had a quarter ago. Still, ferrochrome is one of our gems in terms of profitability

and we are very proud that this happens here. In fact the technical issues did not at all hamper our ramp-up. The ramp-up is taking the same speed and we are confident that in next year we will have more or less the full capacity at our hands, so the technical ramp-up will be finished by the end of the year and we are also expecting that in Q4 we are not having disturbances from what we saw in Q3. If we are looking to Americas, Americas being the second big ramp-up situation, as Mika said, we are very successfully continuing the ramp-up there, but we had on the cold-rolling side some technical topics where we had to go into repairs of one line. As Mika said, this line will only return in December. And we also had maintenance and repair on the other lines, which resulted in some 10-14 days taking out of production the other lines. This of course had an impact on the profitability. Our EBIT excluding NRI went to minus €29 million and on the EBITDA side we have minus €12 million. However, we have the lines 2 and 3, the 64-inch line and 74-inch line, back in operation again, so we are not expecting that this will have a major impact on Q4 and we will still reach our delivery target of 530,000 tonne. So we have taken a good chance of the opportunities of the good ramp-up in the first half so that, even with the issues we had now in quarter three, we still are optimistic that we will reach the 530,000 tonne target and also the break-even EBITDA target for the full year. This of course is now a little bit more challenging but still we have not given up on that target, and we are also seeing that some of the damages and losses that we have suffered will be covered by insurance payments, which then should be included in Q4.

Looking into our Asian business, our Asian business is certainly a growing business, you can see that the stainless steel deliveries are constantly going up, the sales are going up, the EBITDA of course is fluctuating very much with two factors, one is the domestic prices in China, the second is the spread between hot band and cold band, because we are sourcing our hot band domestically here. Both have not

been very favourable in Q3. Still there is a positive EBITDA number and we are continuing this operation in China successfully.

If we are looking at Quarto Plate, this is a topic where we certainly have a situation for improvement, for constant improvement. We are still at a negative EBITDA situation. This is absolutely not satisfactory for us. However, you can see that also from Q2 to Q3, in spite of the fluctuations and the seasonally lower deliveries there, we have made progress and there are very strong plans to continue this ramp-up and to this EBITDA turnaround in Quarto Plate.

You can also see that the situation as such is very much dependent of the volume ramp-up and so far the volume ramp-up has gone in smaller increments and we are planning specifically for 2015 that this ramp-up takes up significantly speed, which would bring also Quarto Plate's return into the positive and into a good value contributor to the company.

And then the fifth business area, Long Products, only the second time that we are explicitly talking about Long Products and Quarto Plate since we have taken it out of our former specialty business area, it is a very good business area and a very good product line that we have and this is also one reason that we are proud to present that separately.

You can see that also on the Long Products there has been a certain seasonality with some lower deliveries but we are still a positive, and a very good positive, EBIT as well as EBITDA numbers. And this is also a growing business, this is also something that is promising very good results and very good progress for the next year.

So this concludes the view on the individual business areas. If we are now looking at the cash flow side, on the operating cash flow, it's a good contribution and we have a good contribution from the business areas here, with the exception of Americas where we still had a negative cash flow according to the negative result,

also we have very good contributions from the business areas here and we are on an improving path.

It may be important to say that this is something we are going to continue also in quarter four and we are expecting even further improving cash flows for Q4.

What you also can see is that net cash from the financing activities has increased significantly. Of course there the main reason is that we have gone out with a bond financing very successfully, we had a very well-subscribed book there so that we could go from an initial target of €200 million to €250 million of funding. That of course gives us the opportunity there. And that also resulted in a very good increase of our net cash and cash equivalence position by €235 million. Overall, our net liquidity that we have in the group is at €1.4 billion, which gives us very good headroom for the way forward.

Last but not least, the consequence from this cash flow development is also an improvement on our target of the P400 programme. As Mika has already indicated, the target of reaching €300 million improvement towards the level of beginning of 2013 has not been changed, we are still confident to reach that, even after a difficult second quarter. We are well on our way there and we are confirming that target to reach the €300 million at the end of the year. And on top, as we are seeing additional potential there, we have increased the target also by €100 million for next year, so by the end of next year we would then target at reaching €400 million.

The main driver is certainly the topic of inventories. There you can see that the inventory days have moved upwards in Q3, but the target for the year is still that we can reach something like 91 days in quarter four and we have a target set for 2015 to take that down even by another 5 days to an average of 86 days for 2015.

This concludes my explanations on the financials. Back to Mika on the outlook and guidance.

MIKA SEITOVIRTA: Thanks, Reinhard.

Now, here you can see the differences of the SMR forecasts for the end demand of stainless steel between September and July forecasts, so you can see the EMEA developments and you can see the Americas developments, so Americas is somewhat up and EMEA end demand is here somewhat down from the previous forecast.

Now, we have said already that the new order intake we are currently getting in is very much moving towards next year side, which is a good thing for next year.

However, what I wanted to say in this context as well is that actually, if we look at the performances relative to competition and the shares that we are getting, so Americas we have really gained share if we go back for more than one year slightly. So we started from 13 per cent market share, we are now up to 19 per cent. So the ramp-up is really developing as we want from the customer point of view.

In Europe as well, in EMEA, we can say that our home market is Germany, so we have been able to strengthen our market position between Q3 and Q2 and we have very much that on the agenda for next year as well.

So this is our business and financial outlook, our guidance for Q4 2014, so Outokumpu estimates that the overall stainless steel operating environment will be lackluster in the fourth quarter driven by the recent decline in the nickel price, which is negatively impacting demand in the distributor sector as well as the general economic slowdown especially in Europe and China, meaning lower delivery volumes, however relatively stable stainless steel base prices.

Outokumpu estimates underlying EBIT on a similar level as in the third quarter; continued progress in cost efficiency initiatives and synergies; with current price levels, net impact of raw material-related inventory and metal hedging gains/losses on profitability expected to be marginally negative, if any.

Outokumpu's operating result may be impacted by non-recurring items associated with the ongoing restructuring programs. This outlook reflects of course the current scope of operations.

So, what are the building blocks and the vital elements here?

Coil Americas, despite the production issues and the repair of the cold rolling lines, where we lost some volumes, so good progress in the overall ramp-up and, although it's challenging, so we are still striving after our original guidance for the EBITDA break-even for the business area as a whole. Good market performance, no changes in the underlying demand, and we see the strong market to continue. EMEA, very much on track, even overachieving in some of the areas concerning the recent restructuring, concerning our industrial concept, showing that it works, and also gaining share in our home market, Germany. And the next milestones and the big industrial change is obviously the ramp-down and the final closure of Bochum melt shop.

Quarto Plate, not the market case for the time being, but a ramp-up case. So each and every week we try to be better than the previous week, we are seeing progress, but we are talking about a complex issue, so it will still take some time, but we are improving there. Unsatisfactory result, but good potential, especially for next year. Long Products, good profitable business, we have been able to improve it, and we see further on that we can improve it further, and especially US there, a very high return business.

Increased cost-cutting programmes up to €550 million, where we are overachieving all the time, and then the cash flow where we got it now to positive numbers and we are going to continue Q4 with positive numbers and the key target, one of the key targets we have is to deleverage this company and this is going to support that target.

Thank you. I think it's time to move for Q&A.

JOHANNA HENTTONEN: Excellent. Many thanks, Mika and Reinhard, and indeed we are ready for the Q&A. As usual, we will start from the Helsinki audience and then move to the conference call participants. Here in Helsinki when you do have a question please

raise your hand and we will hand the microphone to you and please state your own name and company name before the question. So, from Helsinki.

ERKKI VESOLA: Hi, good afternoon, it's Erkki here from Swedbank. Regarding the imports, obviously a major, accounting for one-third of the European market, obviously the quality and the price and other terms of delivery are fine with the customers. How concerned are you or what's your current take on this?

MIKA SEITOVIRTA: Thank you for the question. Obviously, this year, for the first nine months, we are having a much higher level, 33 per cent for Q3 against 24 per cent last year, so we are clearly concerned about it. It's a high share. On the other hand, we feel that we are also ready to compete. Our strategy is that we compete with quality, we compete with delivery times and delivery performance, and we have plenty of advantages, especially now when we are getting all the time our cost pitch correct and our mix correct, and we can cut the tail off the non-profitable products, that we will have a good position there.

I think personally that on the longer term this segment is somehow limited because, as you mentioned yourself, there are long delivery times where you have a risk and there is always a quality risk as well, so it's a certain part of the market that increases and that is created and that is not going to disappear but there is a limit for that quote maybe on the longer term as well.

JOHANNES GRASBERGER: My first question is on the fourth-quarter guidance, so I'm just trying to calculate this through, and are you saying the underlying EBIT is unchanged, roughly €30 million negative, and then you are saying the €20 million, you will reach €20 million positive effect from cost savings plus I am calculating that the Americas should be roughly €30 million better in the fourth quarter than the third quarter, assuming that you are keeping the full-year guidance on Americas unchanged,

which makes €50 million improvement in EBIT quarter on quarter. Then we have the negative effect from volumes, maybe €20 million, and ferrochrome maybe a €10 million negative, so I'm just trying to calculate where the €20 million left over is coming from. So are you possibly selling out of inventory at the moment products that were produced at the higher raw material cost level and now you are actually feeling a negative impact on your P&L because of this?

REINHARD FLOREY: Yes, well happy to dwell on that a little bit. The expectation for the fourth quarter actually is very much on the situation that order intake for Q4 has been quite low. As Mika has already said, the market has moved into Q1 2015 already, so we are expecting that volumes in Q4 will be low and in combination of the low volumes with low nickel price, as we are seeing it at the moment, our margin situation that we would see will of course be not so significantly positive as we had in Q1 and Q2. That is why we are expecting that there is a situation that will ultimately, in the result, in the underlying result, be not too much different of Q3, because we are not expecting that there will be more volumes and we are not expecting that the nickel price will rise significantly in this context as well.

JOHANNES GRASBERGER: And just to continue, you are not selling kind of more material from the inventories that will maybe increase in the second quarter and first quarter, and especially second quarter when raw material prices were much higher than right now?

REINHARD FLOREY: Well, it is not the strategy to sell from the inventories and stall the production, but we are still on a path where we are taking down inventories, as demonstrated, and this will of course mean that we have some volumes that are already work in progress or that are already in the finished goods also sold in quarter four. So part of that will

also be an impact there, but we will also take down the inventories on the raw material side and that will not have an impact in that respect.

JOHANNES GRASBERGER: And the second question then, regarding the fixed base price contracts, so I mean the spot base prices are up clearly from last year and my question is, how much of the fixed price contracts have you converted already and will you still convert some of the fixed prices to the current price level going forward?

MIKA SEITOVIRTA: Thanks. Concerning these yearly or six months or whatever the length is, but mainly they are yearly contracts what we are negotiating now, so we can say the following: first of all, we are halfway through and we plan to finish those negotiations more or less by the beginning of December, latest by the year-end, but normally by the beginning of December. And we are moving there and our progress has been okay so far.

JOHANNES GRASBERGER: And can you say when these new contracts would be effective, start of Q1?

MIKA SEITOVIRTA: Most of them will be effective as from 1 January.

JOHANNES GRASBERGER: Okay, then the third question, partly related to first two questions, so typically when you talk about outlook, you comment the next quarter, but I see in the report that you were relatively positive about Q1, at least that's what I read, and typically you haven't talked about the two quarters ahead at all, so is this combined with the effect of selling down, let's say, the more expensive inventory tonnes, plus then the effect of the base prices in the first quarter, which should I guess be quite good in profit terms?

MIKA SEITOVIRTA: Well first of all we wanted to do that and give an indication and a little bit more information for the beginning of the year because we felt that the change in the market was so fast and so sharp that it needed some more advice in order to be understood correctly. And to the latter part of your question, which was ...?

JOHANNES GRASBERGER: Yes, regarding the guidance, because normally you don't guide two quarters ahead and just reading the report it seems like you are fairly positive about the Q1.

MIKA SEITOVIRTA: Yes, actually, it's not part of the guidance, but we say that what is happening, because we can see now that, yes, the order intake is okay, but it goes for the beginning of the year. So therefore, because the nickel is so much impacting the quarter four, we felt that it's an important piece of information that we want to give you. That is the reason simply.

REINHARD FLOREY: I think it's important that we just see the implications that we are giving for Q4 do not automatically apply for Q1 and that is what we wanted to make very clear because, both on the volume side we see the order intake very much going into Q1 now, so we are not in any way concerned in that direction, as well as the progress on the cost savings, the progress on the ramp-ups, is going on. So we are having some of these effects in Q4, which we do not want to be misunderstood as being continuous also for the next year. That is the reason.

JOHANNES GRASBERGER: Okay, and then just a final question quickly, on the P&L, and I think this was asked in the second quarter webcast as well, but the "other financial expenses" line, which is now €60 million negative for the nine months of this year, what does it actually include and will it be at this level also next year or is it something non-continuous?

REINHARD FLOREY: Yes, thanks for the question. This is partly non-continuous and it very much relates to costs that we have for either arranging of new financing that has happened or keeping the non-utilised credit lines that we have in our liquidity profile. There are fees that you have for just keeping them going and keeping them available and this is what we have in this "other financial" topics.

JOHANNA HENTTONEN: No questions from Helsinki. All right, looks like Helsinki for the time being is all right, so I believe that we will be ready to take the questions from the conference call participants. Operator, please go ahead.

OPERATOR: Ladies and gentlemen, if you have a question, please press 01 on your telephone keypad and you will enter a queue. And we have our first question from Mr Antti Koskivuori from Danske Bank, please go ahead, sir.

ANTTI KOSKIVUORI: Yes, thank you. Still a follow-up on the Asian stainless imports, which are now on a higher level. How do you see that developing in Q4, Q1, do you expect that high level to be there until the potential anti-dumping issues in the EU will be solved? That is my first question.

Then secondly, on the impact of this Calvert cold rolling mill repair, could you give us a number as what is the negative impact on your EBITDA in Q3, what do you expect that to be in Q4, and what is the potential in that from the positive financial item related to that in Q4?

MIKA SEITOVIRTA: Okay, thank you very much for the questions. Now, again, before answering it, it's impossible almost to forecast of course the level of imports, how it will develop, but let me say the following: if we look at the Q3 month by month, so we can clearly see that September was lower than the beginning of the quarter or August, so there was a slightly declining trend in the share. Now, nobody knows how is it when it comes

to placed orders because of the long delivery times, but my personal understanding is that we don't expect, and I don't it expect it to be that high for the coming two quarters.

ANTTI KOSKIVUORI: Okay.

REINHARD FLOREY: Your second question, you had asked for the amount and the level of the negative impact in Q3 and Q4 from the Calvert cold rolling. We are - and you can understand that, being in negotiations with the insurance as well with the suppliers - not willing to quantify that. But still I would like to give you an indication. What we have more or less lost from that incident is about 20,000 tonne of production in Q3 and about 15,000 tonne of production in Q4. And you can also read from our EBITDA development where we have now for the past five consecutive quarters always improved, now we have not improved, we went from a little bit better than break even to a minus-12. There is an anticipation of what the quantification could be. But, again, this is not something that we can define precisely at the moment.

ANTTI KOSKIVUORI: Can you talk a little bit about the insurance, what you have? Is it possible that you get a positive cash flow from there for the full amount or what is the expectation on that?

REINHARD FLOREY: We cannot anticipate of course the final discussions that we have, but we have positive indications that at least partly this damage could be covered by the insurance.

ANTTI KOSKIVUORI: All right, thank you.

OPERATOR: We have a question from Mr Sampsa Karhunen from DNB, please go ahead, sir.

SAMPSA KARHUNEN: Yes, good - Helsinki - afternoon. I have three questions, I thought I am going to go one by one if that's okay.

Firstly, when you were talking about the early 2015 and saying that you are seeing positive signs, I assume that you are referring to the seasonal recovery, quite typical for a year when the first half of the year is stronger. But could you maybe describe a little bit the pricing, what you see for those orders that you are currently booking for the January/February part?

MIKA SEITOVIRTA: Maybe I can take the first one here. We are not in a position and we don't want to be more precise in this particular moment. Our sole message is that what we see caused by the nickel is very much, first of all, towards the distributor sector, we believe it's temporary and, why do we believe it's temporary, we believe it's temporary because we can see that the order intake for the beginning of the year so far is good in North America, but also slightly picking up in EMEA. So that's actually where we want to limit our statement for the time being.

SAMPSA KARHUNEN: Understood. Secondly, just going back to this Asian imports to Europe, I want to kind of understand a little bit better, if this situation continues, if you are looking at the import numbers basically increasing year on year, and then you see that the gap between the Chinese transaction pricing and the European pricing is widening, who would be the player who is losing market share going forward in the European region in this situation if the imports are continuing to grow going into next year?

MIKA SEITOVIRTA: Thank you for that second question. We do not speculate who would lose, who wouldn't lose. Obviously, as we said, we try to use and capitalise on our advantages, so we have a very strong end-user segment where we keep our delivery performance and where we keep our quality good, so that's going to help

us to keep our shares there and actually this year as well, as I told you about Q3, on the markets where we are especially focusing like central, like Nordic, we are improving. Then of course on the southern markets where you have more imports, so we are more selective, let's put it this way.

SAMPSA KARHUNEN: Okay, thank you. Third question is regarding the Americas market, North America especially, what I read is that the Allegheny is ramping up its Brackenridge facility in Pennsylvania quite successfully. I was just wondering, is that a direct competitor, the hot rolling and processing facility, and would that success of Allegheny to be somehow increasing competition, somehow limiting your Americas strategy or is there a risk for the margins as I understand that the Brackenridge facility is quite competitive?

MIKA SEITOVIRTA: Thanks for that. Of course this information is nothing new in the competitive field and we are really humble always when it gets to the competition and never underestimate that. In this particular case, if we look at the segments, if we look at the products where we are increasing and where we have been increasing, so we haven't been in a fierce price competition there, but it has been very natural movement to grow in our portfolio, to get to be a local supplier to our customers where they do want to do business with us. So it is not any radical change that we expect to get any big difference to our strategy.

SAMPSA KARHUNEN: Is it like, could you maybe describe, how big percentage-wise is the overlap of the type of production that you guys have?

MIKA SEITOVIRTA: That number we don't disclose.

SAMPSA KARHUNEN: Okay. That was all from me. Thank you for your answers.

MIKA SEITOVIRTA: Thank you.

OPERATOR: We have the next question from Mr Michael Shillaker from Credit Suisse. Please go ahead, sir.

MICHAEL SHILLAKER: Yes, thanks very much. A number of questions, if I can. Just on the first quarter, and I am sorry to labour it, but it's obviously quite a statement to make any statement about the first quarter in early November. Can you at least give a sense, year on year, what you were seeing this time last year in first quarter versus what you are seeing now in first quarter? So you don't have to give guidance, but we just get a sense of whether it is better than it would normally be at this stage in the first quarter, and I think that would help.

The second point, on pricing, you said negotiations were going okay, but can you help us, what does "okay" actually mean? Does "okay" mean prices are up and can you give us any sort of sense of magnitude to the extent that prices are up?

Third question, on the European restructuring and the closure, I guess the biggest single element of plant closure is taking out fixed costs, capex, and from a P&L perspective depreciation, so can you give us a sense of how much underlying fixed cost you are eliminating as well as capex and depreciation - I guess depreciation is minimal - from the planned Bochum closure. Given the market is soft, could you actually just not bring that forward and should you actually not just be bringing that forward?

Those are my questions.

MIKA SEITOVIRTA: Okay, let me take the second question because that was the one I really got and it's easy to answer because, unfortunately, we don't give any pricing indications

forward, so what we said we said, and we are progressing well there, so that is unfortunately the only thing I can say.

The first question, I have to say, I missed, did you get that?

REINHARD FLOREY: Yes, it was about how the Q1 comments have to be interpreted as a guidance or not a guidance, and what it would be year on year in comparison to what we said the year before about the first quarter.

MICHAEL SHILLAKER: Yes, I know it's not a guidance, I fully understand you can't give guidance and you won't give guidance, but it's just to understand the magnitude, as you said, year on year. Is it better now, next year into Q1, than it was a year ago into Q1, or is it just normal seasonality?

MIKA SEITOVIRTA: We are not disclosing any comparable to that Q1 statement, what we said about the new order intake, it's positive, we see it picking up. Is it picking up more than the year before? We are not giving any statement on that.

MICHAEL SHILLAKER: Okay.

REINHARD FLOREY: Earnings and result-wise, it clearly would be better.

MIKA SEITOVIRTA: Yes, I was commenting on the order intakes, so volume-wise.

MICHAEL SHILLAKER: And the third question was on plant closure. Could you accelerate, given the market is soft? And the second thing is, can you just help us with the amount of fixed cost that you are actually taking out? Because, basically, plant closure, making the same amount of stainless steel but closing a plant, the benefit is the fixed-cost removal, right?

REINHARD FLOREY: Yes, absolutely, maybe I can help on that. Regarding the fixed costs, you can see the fixed cost reduction very much reflected on the one hand in our EMEA restructuring improvement programme where you can see that this takes us up exactly, as of the point when the Bochum closure will come up, when we will then also, in end of 2016, have the closure of Benrath. All that amounts to, in total, €100 million. So the major part of that comes actually from these closures. Of course there are some other optimisation and efficiency levers in there as well, but the major part comes from that.

Regarding the depreciation, there will not be a significant impact because we have written down these assets. The write-down of the Bochum assets has taken place in Q1 2014, you can see that has been a small part of the impairments, so the effect on the depreciation will not be too significant.

MICHAEL SHILLAKER: I guess there's no maintenance capex on this, even now probably you are running at close to zero capex on it, are you?

REINHARD FLOREY: Well, it is close to zero, but it is not zero, because you have to keep at least a certain mandatory maintenance part in operations that you have running, and that of course would be one that would be falling away.

MICHAEL SHILLAKER: Okay. And the final string I think, as you said really, to the story is Calvert. And I don't want guidance per se, but can you give us a range of kind of, all things equal, if you hit your targets next year, what kind of range of EBITDA would you expect to deliver from Calvert, all things equal?

MIKA SEITOVIRTA: We probably would like to come back to this very good question when we are publishing our annual accounts and then we might be in a position to give you the right target for next year, but clearly it's big improvements we are searching.

MICHAEL SHILLAKER: Okay, thank you.

MIKA SEITOVIRTA: You're welcome.

OPERATOR: We have the next question from Mr Luc Pez from Exane BNP. Please go ahead, sir.

LUC PEZ: Hi, gentlemen, just two questions if I may. First of all, on the working capital requirement target you are mentioning, that would suggest a pretty material swing in Q4. How much would be related to volume and/or raw material prices, if you could elaborate a bit more?

An additional question, with regards to Calvert, I know you have been harassed with questions with regards to how much insurance claim would be benefitting your Q4 numbers, wondering to what extent this is clearly part of your unchanged guidance, if you could clarify? And quantification would be appreciated, even if ballpark.

Last, but not least, question on the Q3 trend, it looks to me that you've been continuing to discount aggressively products, is it part of your discounting comments, and should be expect even more pressure there coming into Q4?

Thank you.

REINHARD FLOREY: Coming back to your first question, I am not quite sure whether I have understood it completely, you were talking about the capital requirements in Q4?

LUC PEZ: Yes, working capital requirement reduction, given the fact that you are making the €300 million reduction target.

REINHARD FLOREY: Okay, thank you for that, working capital reduction, yes. We are seeing that we are having a situation where we have been contributing some €67 million of trade net working capital reduction in Q3, which leaves us with a gap to the 300 that we think we will be able to bridge. We have displayed in the chart also there. This is something that will come, of course, from some of the inventory reduction, but it will also come from improvements in our ratio between payables and receivables. This is also in the area where, from the financial point of view and also from the payment terms point of view, we are working on so this is something that we, for the moment, feel confident that a target of P300 can be reached by year-end.

LUC PEZ: If I may, I had a follow-up on this one, sorry. Don't you see risk in a context of possible broad squeeze of nickel price issue projection 2013 to 2015 that there could be some challenge to your additional reduction target there?

REINHARD FLOREY: First of all the declining nickel as such would rather have a positive impact on the net working capital. This is something we are not taking into account too aggressively for the moment because, as you know, nickel price development can never be forecasted in too much detail on a very short-term period. On the other hand there we have also our hedging mechanisms in place that would not have this as an overwhelming impact hitting us, or giving us benefit, so we are trying to balance that out.

LUC PEZ: Thank you.

OPERATOR: We have the next question from Mr Bastian Synagowitz from Deutsche Bank.
Please go ahead, sir.

BASTIAN SYNAGOWITZ: Yes, good morning gentlemen. It's Bastian from Deutsche. I still have a number of questions left. For my first question it is on EMEA. You said you strengthened your market position in Germany, but I think shipments were down roughly 7 per cent versus the second quarter and even down on a year-on-year basis in the third quarter while I think one of your competitors said that shipments were actually pretty solid in Q3. Did you actually lose market share in Q3? Maybe I stop here before I continue.

MIKA SEITOVIRTA: Thank you for that question. We are looking at the cold rolled statistics, and if you look at those shares we can clearly see that between Q2 and Q3 we gained some share in Germany. That is a positive thing. The overall European, EMEA, share, as we follow it up, stayed very stabilised around 30 per cent.

BASTIAN SYNAGOWITZ: As I say, you reported a gain in Germany, but overall in EMEA it should be stable overall compared to your competition?

MIKA SEITOVIRTA: It stabilised and, of course, if we look at the beginning of the year or towards last year we have lost share. Partly because of the restructuring because we have wanted to lose some shares because we are cutting the tail while we are optimising our product mix; and partly, of course, because of the remedies which we lost in connection with the merger.

BASTIAN SYNAGOWITZ: When you say it is stabilised now, having in mind imports are basically up, do you consider imports in this equation? Or is this basically stabilising relative to your European competition, but then with imports being up your overall share is down?

MIKA SEITOVIRTA: Once more, when I'm say "stabilising" what was your question?

BASTIAN SYNAGOWITZ: You said your market share now has stabilised in the third quarter. Obviously we know imports have increased further in Q3. You say your market share is stable. I was just wondering, when you say it is "stabilising", does it actually consider the rise in imports, ie when you say your market share is stable do you consider imports in the equation?

MIKA SEITOVIRTA: What I mean by "stabilising" the market share is really how we are performing EMEA so there are no big moves downwards to be expected. Our operations are now what they are. We are proving ourselves commercially a lot. Through that I would like to say that we are now stabilising at 30 per cent, so in the future we will be 30 plus.

BASTIAN SYNAGOWITZ: Got it, okay. Thank you. My next question is on cost cutting. I know that is bit of a teasing one, but if I look at your Q3 margins in EMEA, relative to the first quarter we were up roughly €15 on a per tonne basis. If I look at spot prices, and we should have got a roughly €50 price increase, this is compared to Q1. Considering your contract structure maybe only half of this increase will have made it to your P&L, and I think the rest are still to come in the contract business. I think you claim to have achieved roughly another €40 to €50 on a per tonne basis while you are cost cutting. Basically, in other words, if I look at the margin progression, if I look at what price has contributed and what cost cutting should have contributed, it seems on a per tonne basis obviously there has not been a lot of stretch. In other words, where is the cost cutting and why have we not seen more of that in your margin?

REINHARD FLOREY: Thank you for that. I think we have to view the cost cutting from two angles. The one is that in the cost cutting we have elements from structural cost cutting seen there, which have an impact that is gradual and sustainable. We also have an impact from cost cuttings in elements like procurement of raw materials and general procurement in there where we have relative cost cuttings, specifically, for instance, in terms of how much our discount in procuring has increased. That, of course, is varying very much also in its impact with where the raw material price is. This is something that you would then see specifically.

The other thing is that we have not broken down into the business areas, so it is hard to direct it to EMEA only because these are specifically from all the procurement parts and the headcount reduction part. This is not only EMEA.

Therefore I do not think that in the calculation you can address all that to EMEA and divide it just by the EMEA volume.

BASTIAN SYNAGOWITZ: Okay, got it. So how much again was the procurement part in the cost cutting, in the overall target?

REINHARD FLOREY: We had this clause that in the synergies we had about 30 to 40 per cent of the synergies as cost improvement from both raw materials and general procurement.

BASTIAN SYNAGOWITZ: Got it, yeah. Okay then. Now, following up on that, I think I read in one of your slides that you now say that 700 headcount reductions have been delayed. I think that is new. Why is that? Was that already included in your cost cutting progress? Is this the reason why maybe your applied guidance for Europe reads somewhat disappointing as well?

MIKA SEITOVIRTA: Concerning the headcount reductions, first of all the programmes that we have announced to be implemented by 2017 they are all valid and we will deliver those headcount reductions as agreed and announced.

Now, what is delayed here is actually the part, which is related to the union agreements that we got finally in April this year. Our original thought was that we would have had those agreements already in 2013 by the end of the year. Now, that means, for instance, that one of the big blocks there, like the Bochum ramp-down, is slightly delayed against the original plan but, however, still within the plan that we announced in April where we said that is going to be closed during the first half, which means now during the second quarter next year.

We will see the headcount reductions because of that coming, but they are five to six months delayed against the very first announcement. This you can see in the numbers. The overall target numbers have no change. That will happen.

BASTIAN SYNAGOWITZ: Can you give us a rough idea on where headcount will be basically at the end of 2015? So how much will headcount really contribute to cost savings, because I guess those are probably more tangible than the procurement part which you were referring to?

MIKA SEITOVIRTA: We have not disclosed it separately, but I mean you are not far away if you take an average head and an approximate value for that on a yearly basis and you just multiple it with our numbers. So the overall plan is 3,500 and that is up to 2017 but we have not said this separately.

BASTIAN SYNAGOWITZ: Got it, okay. Lastly again on your EMEA guidance I tried to reconcile your guidance for basically flat underlying EBIT in the fourth quarter and what it means for EMEA. I think one of the first questions was on this and you argued mostly via volumes. You imply US improves by roughly 30 million sequentially, I guess

therefore the European business and Asia will be down by the same amount. I guess given the size it is quite fair to assume that EMEA Coils would probably account for at least 50 per cent of this decline given that size-wise APAC, Quarto Plate and Long Steel are obviously much smaller than that. So 15 per cent sequential decline in the fourth quarter. Now, if I take your underlying EBITDA per tonne margin, which was 115 in Q3, and you say prices are stable, this implies basically that volumes will fall off roughly 100 kilotonnes in Q4, which sounds like a very large decline. What am I missing in this equation, and could you give us a little bit more colour on the volume expectation? I think your visibility is probably quite good at this point because you say you are virtually basically close to your Q4 order books already, so I guess your visibility should be quite good at this point.

REINHARD FLOREY: We have not broken down the expectation of our guidance for Q4 into the individual business areas. I think the impact that we are saying we will see more or less at the same range our underlying EBIT from Q3 to Q4 very much relates to the situation that we have a continued, I would say, difficult ramp-up situation in Quarto Plate because on the one hand side the market is not strong, and the other hand we are in that ramp-up. We are seeing weaker demand in more or less all business areas for Q4 than we would have seen if we compare it to Q1 and Q2, therefore it is not only the EMEA part. I would just say to you that the strong part from it also comes from EMEA, but I would not be able to comment on your detailed calculations there because I do not think they are in that sense appropriate to be transferred directly from this number into that model.

BASTIAN SYNAGOWITZ: Okay, understood. Okay, thanks. Those were my questions.

MIKA SEITOVIRTA: Thank you very much.

OPERATOR: We have the next question from Mr Kevin Hellegard from Goldman Sachs. Please go ahead, sir.

KEVIN HELLEGARD: Hello, most of my questions have actually already been answered but I was hoping maybe you could elaborate a bit on the service centres, this stocking cycle? I think you talked about you are seeing some of that in Q4, but maybe if you see a difference between Europe and the US due to the weaker nickel and what do you expect in 2015? Thanks.

MIKA SEITOVIRTA: Thank you for that question. Indeed we see a small difference between US and Europe. It seems to us that the US is typically a market where it closes down at a certain point for the distribution sector, and then they start to work with their customers on the coming year. Now this has happened, and probably it has been sharper than normally because of the nickel drop. What we can also see in the US is that, as I mentioned, we are selling already February, which is a good thing. Clearly a strong move into next year. In Europe we feel the same thing. It is not as strong as we can see in the US for the time being, but it is positive as well. This is probably the only difference that we see at the moment.

KEVIN HELLEGARD: Okay, thank you.

OPERATOR: We have the next question from Mr Johannes Grunselius from ABG. Please go ahead, sir.

JOHANNES GRUNSELIUS: Yes, hello. This is Johannes Grunselius. Most of my questions have also been answered, but I can ask you about one thing we talked about at the recent CMD. You were very comfortable about getting a credit rating, and we were told that this has an impact on the credit terms also for some of the bonds. Can you

give us an update there? When do you expect to be given a credit rating, and has anything changed over the last few weeks given that Europe arguably is turning a little bit more risky?

MIKA SEITOVIRTA: No, nothing has changed in that respect. We have confirmed our ambition and willingness to go for seeking a rating until the end of the first quarter 2016. This is also what has been indicated in the terms of our last bond, not as a condition but as a situation where the interest rates would change slightly if we would not do that. This is just a confirmation of the ambition that we have in that respect. The timing is still exactly intact. We think this is the way, how we want to proceed. It will give us the ability to show really the impact from our restructuring, the impact from our ramp-up. It will crystallise much more in realistic terms how the turnaround, and how the better profitability, will look like. That should enable also to get a decent rating.

JOHANNES GRUNSELIUS: Okay, so the time we should look at is beyond 2015, so more a long-term topic then?

MIKA SEITOVIRTA: As I said, yes.

JOHANNES GRUNSELIUS: Yeah, okay. Thank you very much.

MIKA SEITOVIRTA: Thank you.

OPERATOR: We have the next question from Mr Jean Devevey from Exane. Please go ahead, sir.

JEAN DEVEVEY: Yeah. Hi, Jean Devevey from Exane. Just following up on the Calvert breakeven EBITDA guidance for the year 2014. I was just wondering whether that included the potential insurance settlement, or would that come on top of your guidance, ie does that mean more than break even if you have that positive settlement happening in Q4? That's my first question.

MIKA SEITOVIRTA: I didn't get that.

REINHARD FLOREY: Could you possibly repeat? We had some noise on the line.

JEAN DEVEVEY: Yeah, sure. I was wondering about the Calvert breakeven EBITDA guidance for full-year 2014, and on the fact that you have reiterated that guidance today. Does that include the insurance settlement that you hope will happen in Q4, or that will come on top of the breakeven guidance?

REINHARD FLOREY: Yes, thank you. Of course, with the target of breakeven that was done under the normal circumstances of the production going smooth and the ramp-up going smooth. This means that we are calculating with mitigation of that by an insurance payment, if we say that we are still confident to reach breakeven.

JEAN DEVEVEY: Okay, thank you. Then on the EMEA business. I think you had acknowledged with the Q2 results that you were partly discounting the products, ie that your premium versus the market was reducing versus the market price I would say. How do you see that evolving into Q4, and not only in face of the target you have to further reduce the inventories in Q4? Would that mean further discount pricing going forward?

MIKA SEITOVIRTA: Did you understand? I'm not sure. Excuse us because it's extremely difficult now to get the --

JOHANNA HENTTONEN: Most unfortunately it is very bad. Again, may we ask you to repeat the question once more? Sorry for that.

MIKA SEITOVIRTA: Give us the key words.

JEAN DEVEVEY: Hello, I think it is better right now. My second question was on the price trends for yourself in Q4. I think you had acknowledged with the Q2 results that you were somewhat discounting the products, ie the premium, of which you can do average selling price versus the market price was reducing. So my question is how do you see that evolving in Q4, not only in the face of your target to further reduce the inventories by the end of this year? Will that mean further discount pricing going forward?

MIKA SEITOVIRTA: So was this related to the US?

JEAN DEVEVEY: No, to EMEA.

REINHARD FLOREY: You are relating to us selling also from stocks and whether that in the average would give us any negative impact on that?

JEAN DEVEVEY: Yes.

REINHARD FLOREY: First of all I think this is only a very marginal impact that we will have there. The trend that we are having is that we are not giving in on any kind of price pressure. We are continuing our policy clearly to keep prices stable, keep prices up.

Therefore we do not see that there would be a major impact from that as we have a clear view that the underlying demand has not weakened. We are seeing, of course, a little bit of stalling of the restocking simply coming from this sharp decline in the nickel price, but in that respect not too much of an impact to be expected.

JEAN DEVEVEY: Okay, thank you. My last question was on the US pricing. I think the question on the Allegheny ramping-up was already asked. I mean do you think this will potentially put pressure on the local prices? I know the overlap with the Outokumpu products is not that huge but anyway this adds volumes to the market, so is there an issue on the pricing trends there?

REINHARD FLOREY: We do not see that specifically. We know ramp-up situations very well. We have a high respect for what is being built in Brackenridge. It is a hot-rolling plant with the upstream part of it as well. This is not something that would directly impact our end customer business that we have at that moment. We also wouldn't see that it at the moment changes the cost position of Allegheny in a way that it would compete on a different basis than they are doing today with us. So no impact, or no reaction, from our side in that respect expected.

JEAN DEVEVEY: Okay, thank you.

MIKA SEITOVIRTA: Thank you.

REINHARD FLOREY: Thank you.

OPERATOR: We have our last question from Mr Hjalmar Ahlberg from Keppler Cheuvreux. Please go ahead, sir.

HJALMAR AHLBERG: Just one more question on Calvert. Looking at deliveries for the fourth quarter they would actually be down, if you look at the guidance of 530,000 for the full year, but still you will reach breakeven EBITDA, how will you increase EBITDA despite lower volumes?

REINHARD FLOREY: From the delivery side in Calvert we indicated that the impact is that we will probably have some 15,000 tonnes in Q4 less than we have anticipated. Still that will enable us to overachieve the 530,000 tonnes in total for the year. In that respect we feel that with the two cold-rolling lines being back on track, also the performance that we would have on the deliveries and the performance that we would have in our production abilities would not suffer too much. Still these are challenging situations. If you suddenly have to have run different routes you have different fixed cost distributions that you have to manage. This is something that the team in Calvert is taking great care of, and doing a tremendous job. Therefore, as we said, the guidance is as it is.

HJALMAR AHLBERG: Okay, and can you say anything about Q1 2015? Will volume deliveries be up year-over-year?

MIKA SEITOVIRTA: Well, as said, we would like to give the guidance on the US business very much in the context of our year-end reporting. That gives us the opportunity to have a good visibility, not only then on the first quarter but for the rest of the year, which might be important for the market to understand how much progress we are seeing here.

HJALMAR AHLBERG: Okay. Regarding Quarto Plate ramp-up, with the current market situation will you be able to ramp-up to 150 tonnes, or does the market have to improve for that to happen?

MIKA SEITOVIRTA: Well, concerning the Quarto Plate we have a ramp-up plan and obviously the capacity is there, 150,000 tonnes, and then we have another 70,000 tonnes in North America. We want to ramp it up in a way that, of course, we adjust always demand capacity towards the market situation. That is not going to be an issue. Currently the issue is really that we have so far some 15 per cent higher volumes, and because of the new lines we need to learn to work, there is a learning curve to get the right quality at first time. This is more the issue. It is not to get the top volumes directly. That is not an issue. We can be profitable even with lower volumes when we do it right, and this is the first target.

HJALMAR AHLBERG: Okay, and one last question about Bochum. How much does that produce now, and when you close it down will you change the volumes directly or it will happen gradually during the next quarters?

REINHARD FLOREY: The ramp-down curve of Bochum has already started. We have taken out shifts already in Bochum. We have transferred volumes already. This is a gradual process. Actually this takes, in total, a time of 12 months and we have started before the summer with doing that so we are in a situation where this is being taken gradually down. There are, of course, milestones whenever you eliminate a shift and take down a certain amount of personnel that would then limit your, so to say, main plant capacity that you still have. We are clearly producing significantly less than we did, for instance, in the first quarter.

HJALMAR AHLBERG: Okay, thank you.

MIKA SEITOVIRTA: Thank you.

REINHARD FLOREY: Thank you.

OPERATOR: No further questions from the telephone lines. Please go ahead speakers.

JOHANNA HENTTONEN: Thank you. Any more questions from the Helsinki audience? I guess not. We have also received questions from the online participants, which we will be answering by email. As well there were a few questions on the conference call, which were actually unanswered, so we will get back to those questions later on. I would like to thank you all today and wish you all a very nice continuation of November. We will come back with our full-year results on 12 February. Thank you.