



**Regional perspective on transport -
The Bothnian Corridor for proper
transportation of goods**

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Agenda

- **Presentation Outokumpu Stainless**
- **Current Transportation Flows**
- **Impact of The Bothnian corridor**
- **Threats**
- **Summery**

Outokumpu

– an international stainless steel company

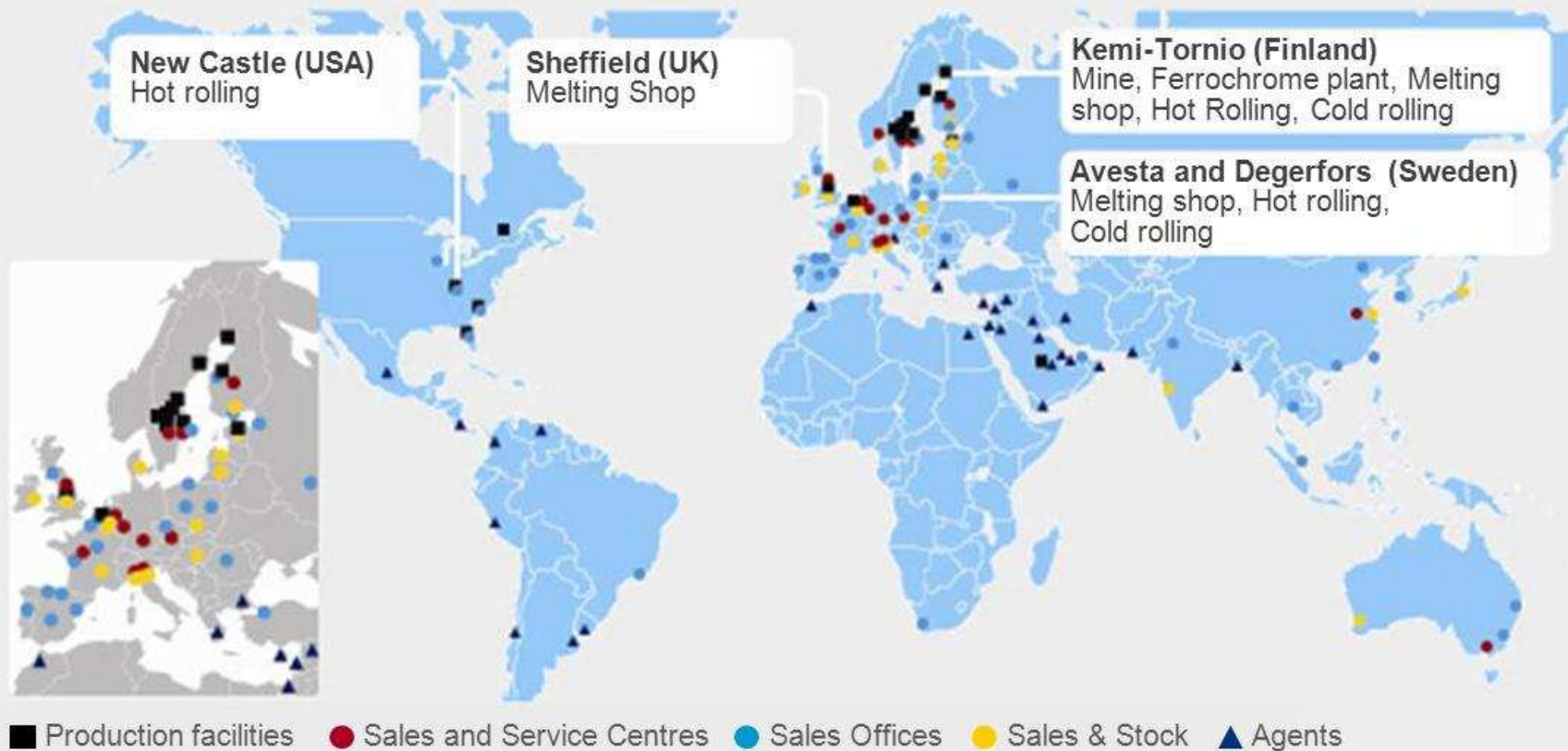


Cloud gate in Millennium Park Chicago, USA

- Outokumpu is a global leader in stainless steel with the vision to be the undisputed number one
- Outokumpu Group employs some 8000 people in more than 30 countries
- The Group's sales of EUR 4.23 billion in 2010
- Outokumpu has been listed on the NASDAQ OMX Helsinki since 1988

Geographical presence

Outokumpu's global operations



Stainless steel is one of the key building blocks of a sustainable future

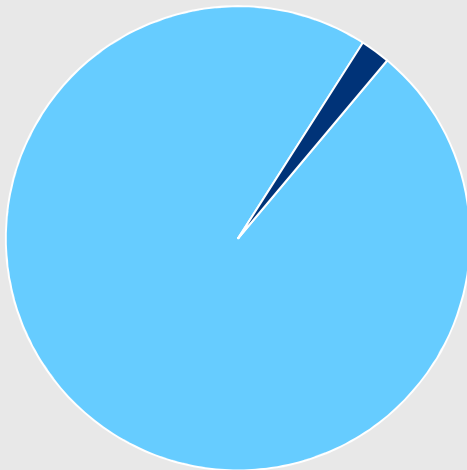


Marina Bay Bridge, Singapore

- Fully recyclable and the most recycled material in the world
- Corrosion-resistant
- High-strength
- Hygienic and aesthetic
- Maintenance free: low life-cycle costs

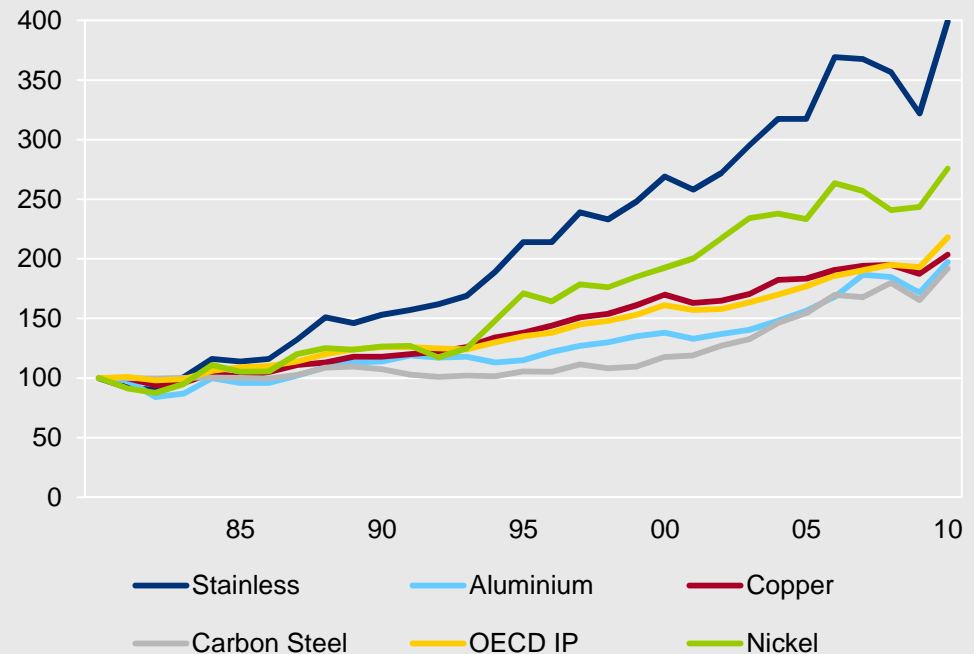
Not all steel is stainless – but it is the fastest growing of all metals

Stainless steel production
~31 MTPA about 2% of all steel

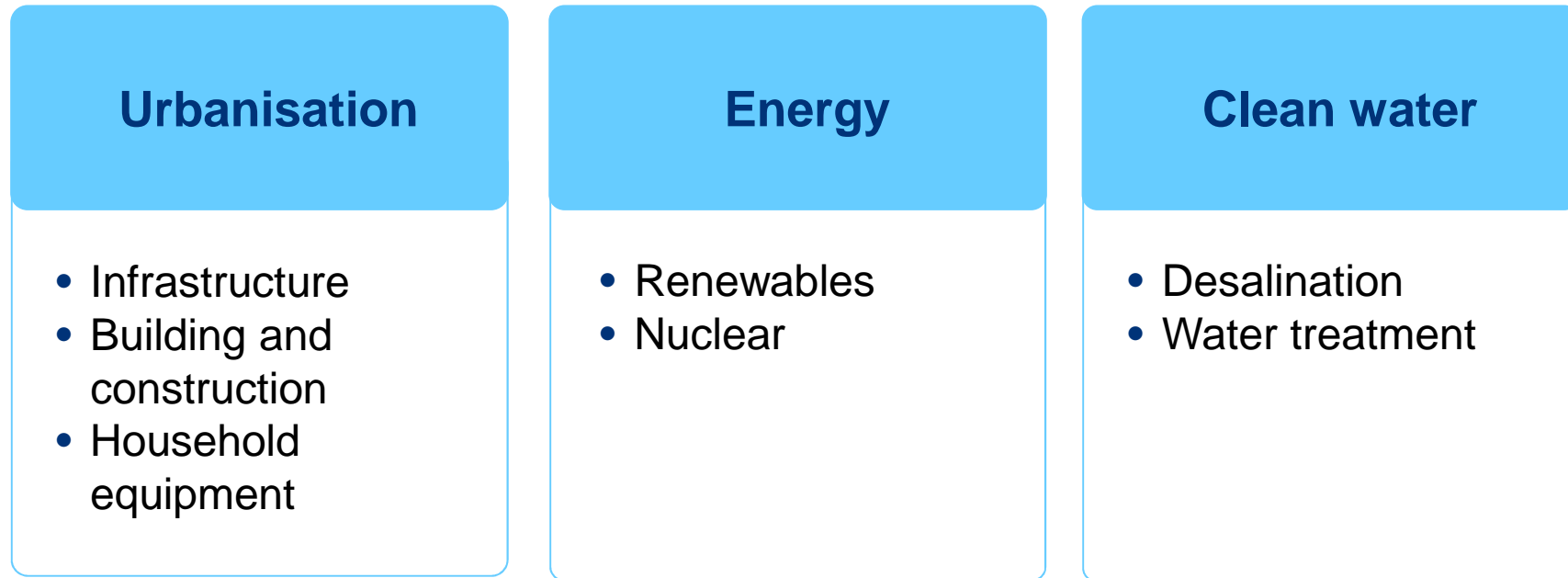


Carbon steel production
~1 460 MTPA

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Drivers for stainless steel demand

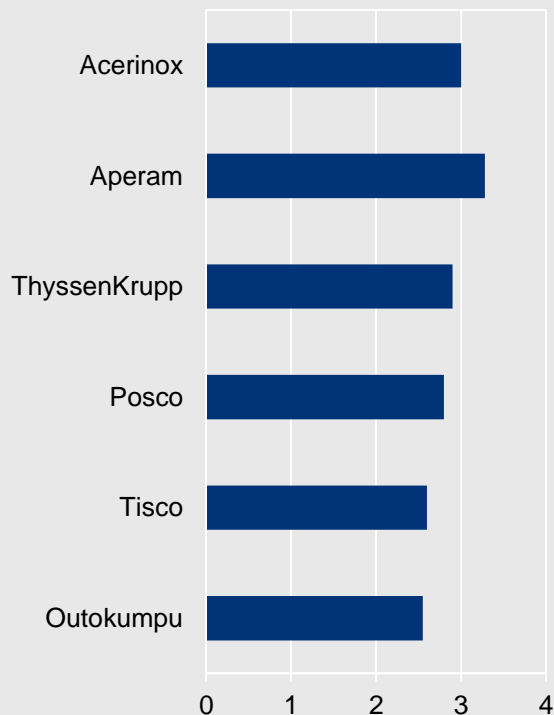


 Sustainability through the unique properties of stainless

Outokumpu is one of the leaders in stainless

Top 6 global stainless steel producers 2010

SLAB CAPACITY, MILLION TONS



- Outokumpu's main markets
 - Europe 75%
 - Asia 12%
 - North and South America 11%
- Outokumpu's market share is 18% in Europe and 5% globally
- Market leader in duplex grades with a global market share of 50%

Customers in a wide range of industries



Architectural, Building & Construction

- Structural
- Heating, Cooling, and Ventilation
- General AB&C



Catering and Appliances

- Commercial Catering
- Household Goods



Process and Resources

- Pulp & Paper
- Food & Drink
- Desalination
- General Industrial
- Mining
- Pumps, Perforators & Textile Applications



Chemical, Petrochemical & Energy

- Oil & Gas
- Chemical & Pharmaceutical
- Energy



Transport

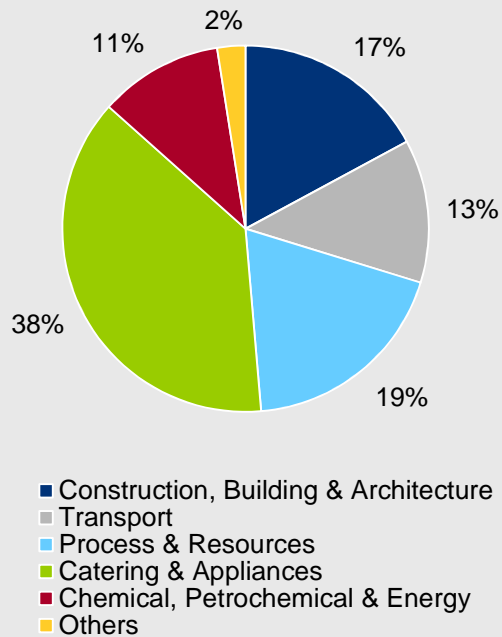
- Automotive
- Heavy Transport



Distributors Processors

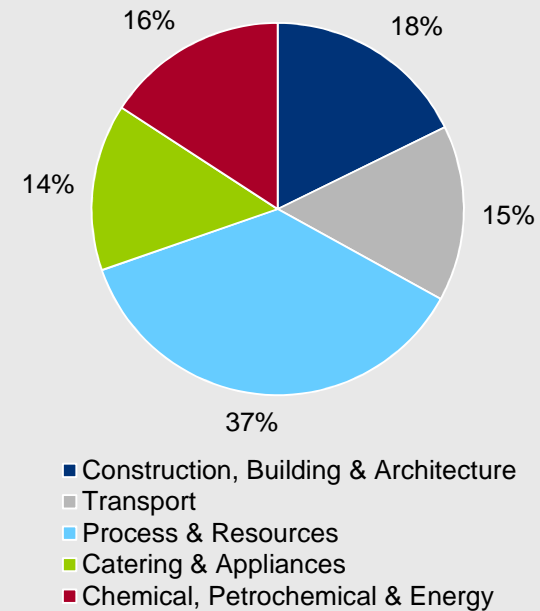
Stainless steel – end-use segments

World end use structure



Source: SMR, consumption of all stainless finished products 2010

Outokumpu end use sales volumes



Source: Outokumpu end use sales volumes 2010

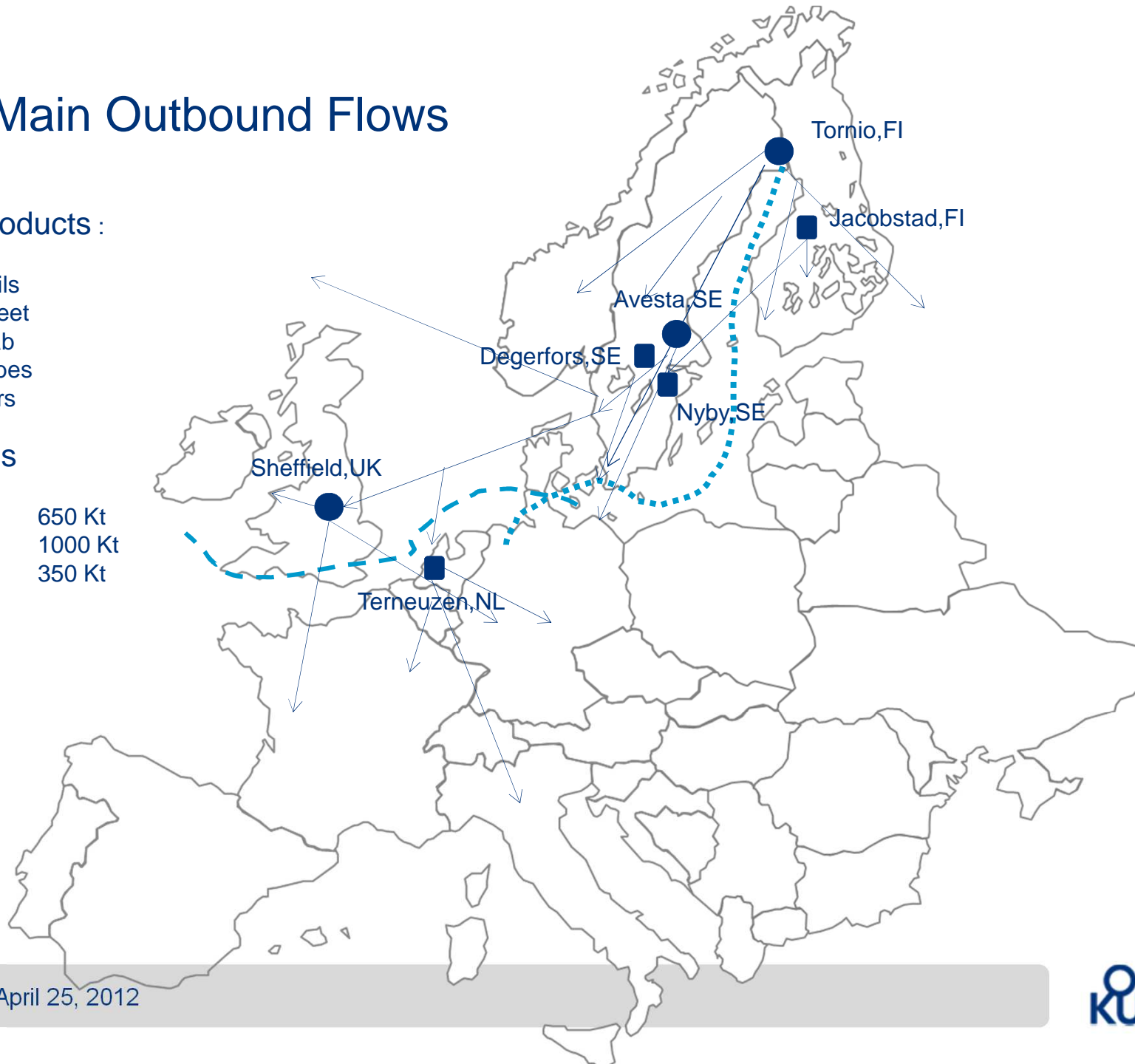
Main Outbound Flows

Products :

- Coils
- Sheet
- Slab
- Tubes
- Bars

Volumes

Sweden	650 Kt
Finland	1000 Kt
UK	350 Kt



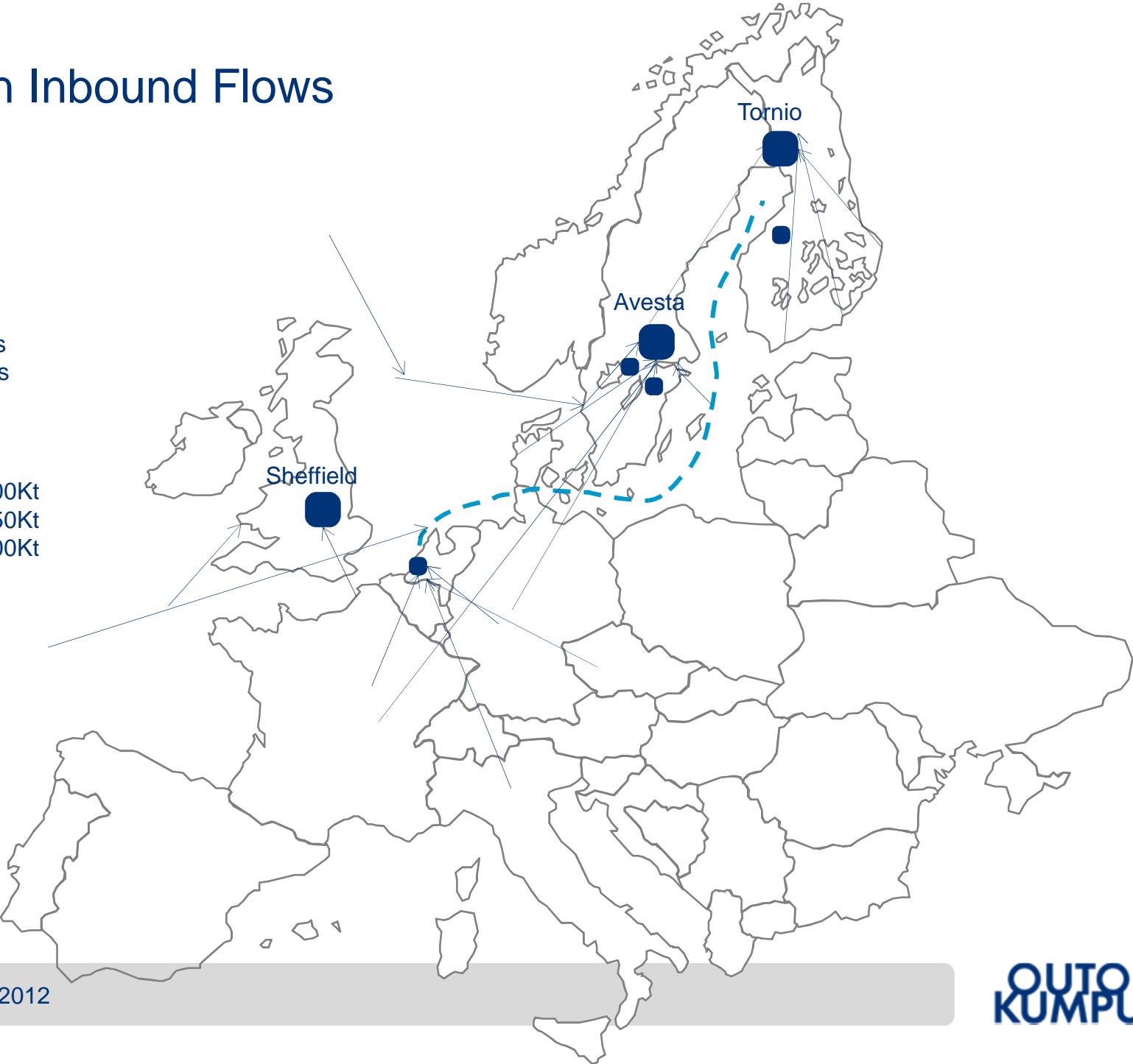
Main Inbound Flows

Products

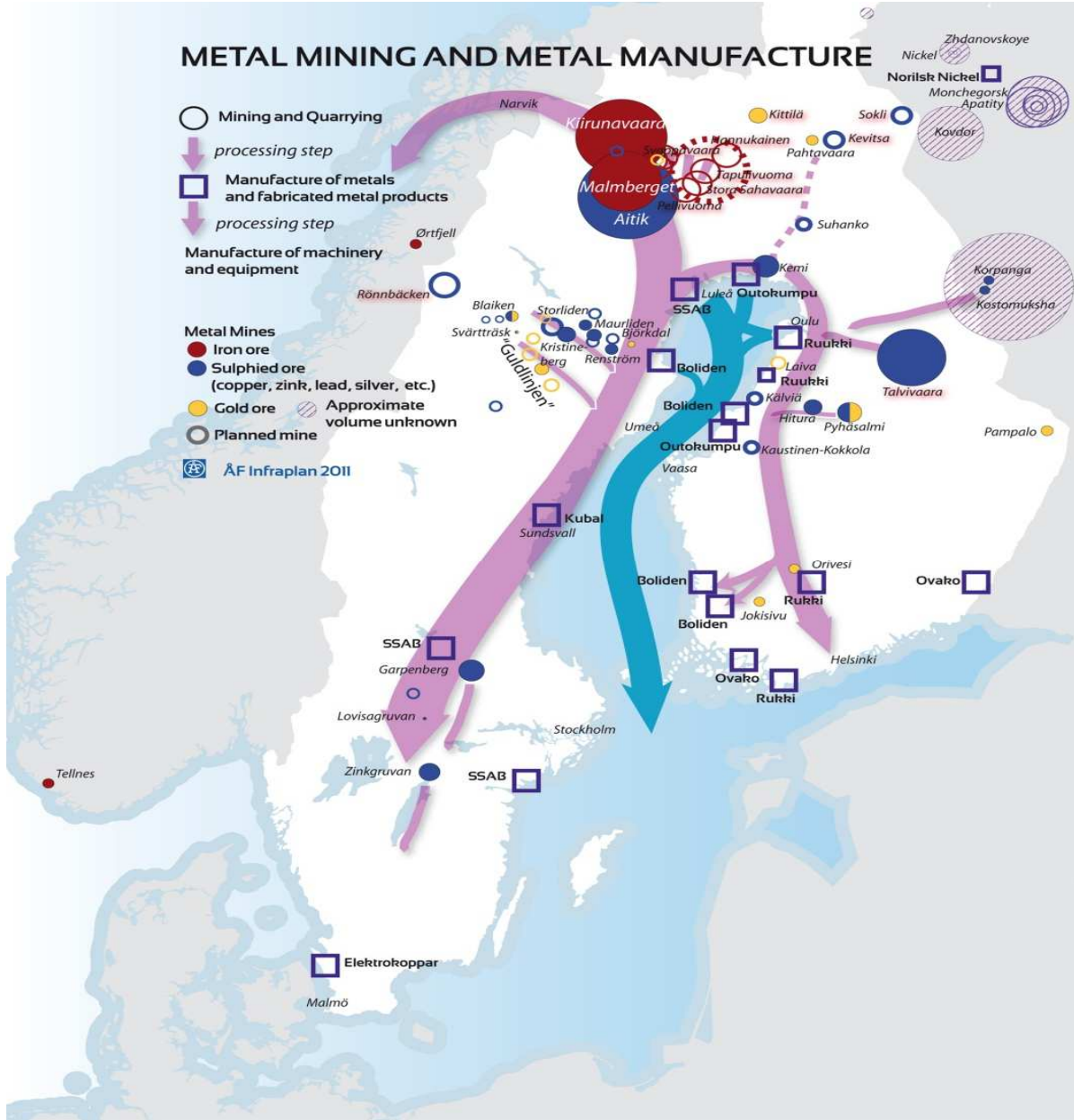
- Scrap
- Nickel
- Molybden
- Ferrochrome
- Various alloys
- Machine parts

Volumes

Sweden	500Kt
Finland	950Kt
UK	400Kt



METAL MINING AND METAL MANUFACTURE



Transport Strategy

- Support Outokumpus Production and Commercial operations in offering World Class Transport Solutions both on Internal and External Transport Flows.
- Aiming to be the most reliable and cost efficient supplier of Stainless steel products in Europe.
- To deliver our products as pro-environmental as possible.

The BOTHNIAN CORRIDOR

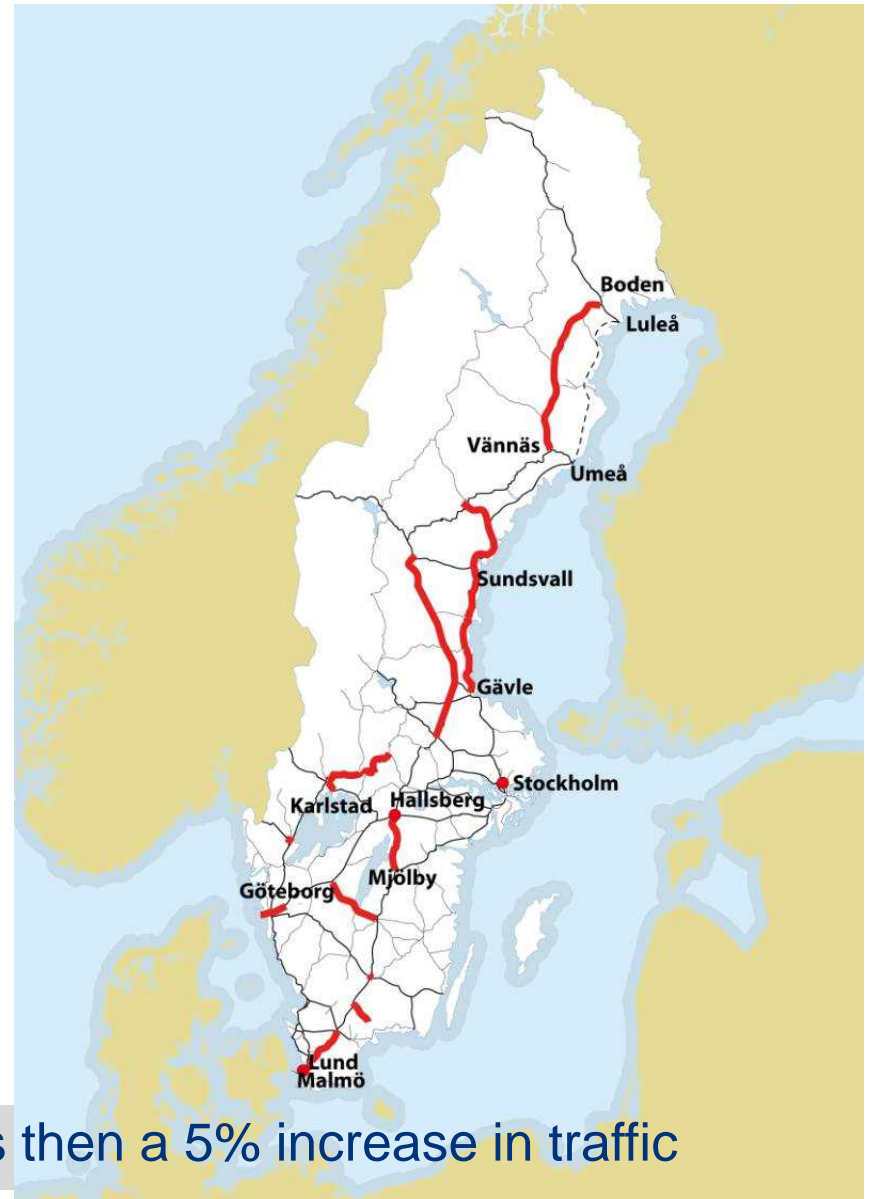
A perfect fit for Outokumpu Stainless needs for a upgraded infrastructure giving us possibilities to compete on the European market despite our geographical disadvantage.



Future Needs for Rail Infrastructure

- Increase axelpressure to 30 tons/axel
- Allow heavier trains 3000 tons ---→
- Allow faster trains + 100 Km/h
- Bottlenecks has to be removed
- Service levels in Terminals must increase
- Enough capacity for us to work towards long term solutions on Rail.
- EU Harmonised infrastructure (IT-Systems, Power feeding etc)

Green Cargo Capacity Analysis



Current Infrastructure allows less than a 5% increase in traffic

Future Threats

- SECA sulphur directive will influence towards a modal back-shift from Sea to Rail & Road.
- Putting even more pressure on an already heavily burdened and weak infrastructure in the North.
- Our own investigations shows cost increases in the range of 40% for future Sea Transports.
- No further infrastructural investments securing the long term capacity in the North.
- Cost & Capacity issues will weaken our competitiveness due to our Geographical location only !

Summery

- Infrastructure has a big impact on our business
- Improved infrastructure will help us to be more competitive in Europé and improve our growth.
- The need for an improved infrastructure in the north is huge.(Mining, Forestry and Steel).
- The importance in Europé of the Northern areas will grow.
- Further connect the North to Europé through infrastructural investments.



Thank You !
Outokumpu - Activating Your Ideas

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