



Avesta Sheffield AB (publ)

P.O. Box 16377
SE-103 27 Stockholm
Sweden
Tel +46 (0)8 613 36 00
Fax +46 (0)8 20 84 81

www.avestashelfield.com

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AvestaPolarit merger plan proceeds with applications for exchange offer approval and listings in both Stockholm and Helsinki

Following the clearance by the European Commission for the proposed combination of Avesta Sheffield and Outokumpu Steel to form a new stainless steel company AvestaPolarit, the combination process now continues as follows:

The Board of Avesta Sheffield AB (publ) has today approved the Exchange Offer Prospectus and decided to unanimously recommend that the Avesta Sheffield shareholders accept the Exchange Offer.

The Board of Outokumpu Steel Oyj has today, for its part, approved the Exchange Offer Prospectus and decided to submit it to the OM Stockholm Stock Exchange and thereby apply for approval to commence the Exchange Offer, in which Avesta Sheffield shareholders will be offered to exchange their shares in Avesta Sheffield for shares in Outokumpu Steel. The Prospectus simultaneously constitutes a document with which Outokumpu Steel seeks a listing for AvestaPolarit on the OM Stockholm Stock Exchange.

At the same time, the Board of Outokumpu Steel has decided to submit an application for AvestaPolarit to be listed also on the Helsinki Exchanges. A separate prospectus will be prepared for this purpose. A listing of AvestaPolarit in Helsinki is sought now in order to give the share a wider platform for increased liquidity from formation of the company and to make it easier for residents of Finland to trade in the share.

Pending the OM Stockholm Stock Exchange's approval, the preliminary schedule calls for the Exchange Offer Prospectus to be published on 19 December, 2000, and the Exchange Offer acceptance period to commence on 21 December, 2000. The completion of the proposed combination to form AvestaPolarit is conditional upon a minimum 90 per cent acceptance of the Exchange offer by Avesta Sheffield shareholders and approval for the new company's listing on the OM Stockholm Exchange.

For further information please contact

Avesta Sheffield

Ian Cooper, Chief Financial Officer, tel. +46 8 613 3647 or

Inga Lundberg, Investor & Media Relations, tel. +46 8 613 4419

Outokumpu

Katarina Lybeck, Senior Vice President - Corporate Communications,

tel. +358 9 421 2431 or +358 40 503 0750

Kari Lassila, Senior Vice President - Corporate Controller, tel. +358 9 421 2555