

Stockholm, 19 October 2001 at 08:30 hours

AvestaPolarit third quarter weaker than expected

In its second quarter interim report for April-June 2001, AvestaPolarit stated that the short term outlook was uncertain and that production levels would be determined by market demand.

Although European cold rolled and quarto plate base selling prices held steady through the July-September third quarter, market demand was below expectations even taking into account the summer holiday effect. Demand was also weak in the USA and Asia. Nickel prices continued to fall during the quarter with average prices in September being about USD 1,600 per tonne below June. This has resulted in a significant adverse price change in stock with a negative impact on third quarter profitability. AvestaPolarit also experienced some production difficulties, partly related to commissioning new facilities in Avesta after the summer shutdown.

As a result of the above, net sales in July-September were more than 20 per cent down on the previous quarter and operating profit for the quarter was below expectations at slightly above break-even. The outlook for the remainder of 2001 remains uncertain, with the full consequential effect of the USA events on 11 September still awaited.

Additional information will be available when AvestaPolarit Oyj Abp issues its third quarter interim report on 31 October.

AVESTAPOLARIT OYJ ABP

Katarina Lybeck, Senior VP – Corporate Communications

Tel: +46 8 613 3617 or +358 40 503 0750 (mobile)

AvestaPolarit Oyj Abp
Corporate Management

Vasagatan 8-10,
SE-103 27 Stockholm, Sweden
Tel: +46 8 613 3600
Fax +46 8 613 3690

Linnoitustie 4 A
FIN-02601 Espoo, Finland
Tel: +358 9 5764 5511
Fax +358 9 5764 5555