

AvestaPolarit AGM to convene on 9 April 2002

The Board of Directors of AvestaPolarit Oyj Abp has in its meeting today decided on the summons to the Annual General Meeting of Shareholders of AvestaPolarit Oyj Abp, which will be held at the Dipoli Congress Centre, at Otakaari 24, FIN-02150 Espoo, Finland, on Tuesday, 9 April 2002 at 2.00 p.m.

In addition to the ordinary items specified in Section 14 of the Articles of Association, the agenda for the Meeting will include proposals by the Board of Directors as follows:

- **Proposal to issue warrants** to the key personnel of the AvestaPolarit Group, as well as to a wholly-owned subsidiary of AvestaPolarit Oyj Abp. It is proposed that the shareholders' pre-emptive right to subscription be deviated from since the warrants form a part of the incentive and commitment program for the key personnel. The number of warrants issued will be 6,400,000. Of the warrants 1,600,000 will be marked with the symbol 2002A, 2,400,000 with the symbol 2002B and 2,400,000 with the symbol 2002C. The warrants entitle to subscription of a maximum of 6,400,000 shares in AvestaPolarit Oyj Abp.

The share subscription price for warrant 2002A shall be the trade volume weighted average quotation of the AvestaPolarit Oyj Abp share on the Helsinki Exchanges between 1 April and 30 April 2002, for warrant 2002B the trade volume weighted average quotation of the AvestaPolarit Oyj Abp share on the Helsinki Exchanges between 1 April and 30 April 2003 and for warrant 2002C the trade volume weighted average quotation of the AvestaPolarit Oyj Abp share on the Helsinki Exchanges between 1 April and 30 April 2004.

From the share subscription price of warrants shall, as per the dividend record date, be deducted the amount of the dividend decided after the beginning of the period for determination of the subscription price but before the date of the share subscription.

The share subscription period for the warrants shall begin in stages on 1 April 2004, on 1 April 2005, on 1 April 2006, and shall end on 30 April 2009 for all warrants.

The number of shares in AvestaPolarit Oyj Abp can, as a result of the subscriptions with the 2002 warrants, increase by a maximum of 6,400,000 new shares and the share capital increase by a maximum of 3,456,000 euro.

The purpose of the warrants is to encourage the key personnel to work on a long-term basis in order to increase the shareholder value. The purpose of the warrants is also to commit key personnel to the employer by a principal obligation to offer the warrants back to the company without compensation for possible accrued value if the employment ends before 1 April 2006.

A proportion of the persons eligible for subscription belong to the inner circle of the company. The total share ownership of the persons belonging to this category eligible for subscription does not exceed 1% of the company's shares and the voting rights of the shares. The warrants now issued can be exchanged for shares constituting a maximum of 1.8% of the company's shares and voting rights.

- **Proposal to authorise the Board of Directors to increase the share capital** by issuing new shares and by taking out convertible loans, in one or more instances. The increase may amount to a maximum of 37,685,767.86 euros or 69,788,459 shares.

The Board of Directors has the authority to define the share subscription price and the terms and conditions applicable to the convertible loans. The Board may resolve that shares can be subscribed and convertible loans can be taken against contribution in kind or

on otherwise special terms. The Board of Directors may resolve to increase the share capital in deviation from the shareholders' pre-emptive rights to the share subscription provided that from the company's perspective important financial grounds exist such as financing or execution of a business acquisition or another arrangement.

The authorisation is proposed to be valid for a period of one year from the date of the Annual General Meeting, and will remain subject to the governance principles of the Shareholders' Agreement executed by and between Outokumpu Oyj and Corus Group plc., the main shareholders of AvestaPolarit.

Dividends

The Board of Directors is proposing a dividend of EUR 0.08 per share. The dividend will be paid to the shareholders who are registered in the Shareholders' Register of the Company maintained by the Finnish Central Securities Depository Ltd (Suomen Arvopaperikeskus Oy, the "APK") or who are registered with the corresponding Swedish Securities Register Centre and Clearing Organisation (Värdepapperscentralen AB, the "VPC") on the record date 12 April 2002. The dividend is proposed to be paid in euros to those shareholders registered with the APK and in Swedish krona to those registered with the VPC. Payment of the dividend is proposed to be effected as of 24 April 2002.

ENCLOSURES:

1. Warrants in AvestaPolarit Oyj Abp 2002/Terms and conditions
2. Auditor's statement regarding the proposal to issue warrants
3. Auditor's statement regarding the proposal to authorise the Board of Directors to increase the share capital

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ENCLOSURE 1:**WARRANTS IN AVESTAPOLARIT OYJ ABP 2002**

In its meeting on 13 February 2002 the Board of Directors of AvestaPolarit Oyj Abp ("Board of Directors") ("AvestaPolarit" or "Company") has resolved to propose to the Annual General Meeting of Shareholders to be held on 9 April 2002 that warrants be issued to the key personnel of AvestaPolarit Oyj Abp and its subsidiaries ("AvestaPolarit Group") and to a wholly owned subsidiary of AvestaPolarit Oyj Abp on the following terms and conditions:

I TERMS OF WARRANTS**1. Number of Warrants**

The number of warrants issued will be 6,400,000, which entitle to subscribe for a total of 6,400,000 shares in AvestaPolarit.

2. Warrants

Of the warrants 1,600,000 will be marked with the symbol 2002A, 2,400,000 with the symbol 2002B and 2,400,000 will be marked with the symbol 2002C. The persons to whom warrants will be issued will be notified in writing by the Company about the issue of warrants. The warrants will be distributed to the recipient when he or she has accepted the offer of the Company. Warrant certificates shall upon request be delivered to the warrant owner at the start of the relevant subscription period unless the warrants have been transferred to the book-entry securities system.

3. Right to Warrants

The warrants shall, with deviation from the shareholders' pre-emptive right to subscription, be issued to the key personnel of the AvestaPolarit Group and to AvestaPolarit Stainless Oy ("AvestaPolarit Stainless"), a wholly owned subsidiary of AvestaPolarit Oyj Abp. It is proposed that the shareholders' pre-emptive right to subscription be deviated from since the warrants are intended to form part of the AvestaPolarit Group's incentive and commitment program for the key personnel.

Upon issuance all warrants 2002B and 2002C shall be distributed to AvestaPolarit Stainless. AvestaPolarit Stainless shall distribute warrants 2002B and 2002C to the key personnel employed by or to be recruited by the AvestaPolarit Group by the resolution of the Board of Directors.

4. Distribution of Warrants

The Board of Directors decides upon the distribution of the warrants. AvestaPolarit Stainless shall be distributed warrants to such extent that the warrants are not distributed to key personnel of the AvestaPolarit Group. The Board of Directors shall later on decide upon the further distribution of the warrants issued to the subsidiary, to the key personnel employed by or to be recruited by the AvestaPolarit Group.

5. Transfer of Warrants and Obligation to Offer Warrants

The warrants are freely transferable, when the relevant share subscription period has begun. The Company shall hold the warrants on behalf of the warrant owner until the beginning of the share subscription period. The warrant owner has the right to acquire the possession of the

warrants when the relevant share subscription period begins. Should the warrant owner transfer his/her warrants, such person is obliged to inform the Company about the transfer without delay. The Board of Directors may, as an exception to the above, permit the transfer of a warrant also before such date.

Should a warrant owner cease to be employed by or in the service of the AvestaPolarit Group, for any other reason than the death of the employee, or the retirement of the employee as defined by the Company, before 1 April 2006, such person shall without delay offer to the Company, free of charge, the warrants for which the share subscription period in accordance with Section II.2 had not begun at the last day of such person's employment. Regardless of whether the warrant owner has offered his warrants to the Company or not, the Company is entitled to inform the warrant owner in writing that the warrant owner has lost his warrants on the basis of the above-mentioned reasons. Should the warrants be transferred to the book-entry securities system, the Company has the right, whether or not the warrants have been offered to the Company, to request and get transferred all the warrants, for which the share subscription period had not begun, from the warrant owner's book-entry account to the book-entry account appointed by the Company without the consent of the warrant owner. In addition, the Company is entitled to register transfer restrictions and other restrictions concerning the warrants to the warrant owner's book-entry account without the consent of the warrant owner.

II TERMS AND CONDITIONS OF THE SHARE SUBSCRIPTION

1. Right to Subscribe New Shares

Each warrant entitles its owner to subscribe for one (1) share in AvestaPolarit. The book equivalent value of each share is 0.54 euro. As a result of the subscriptions the share capital of AvestaPolarit may be increased by a maximum of 3,456,000 euro and the number of shares by a maximum of 6,400,000 new shares.

AvestaPolarit Stainless, as a subsidiary of AvestaPolarit, shall not be entitled to subscribe shares in AvestaPolarit on the basis of the warrants.

2. Share Subscription and Payment

The subscription period shall be

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| ▪ for warrant 2002A | 1 April 2004 – 30 April 2009, |
| ▪ for warrant 2002B | 1 April 2005 – 30 April 2009 and |
| ▪ for warrant 2002C | 1 April 2006 – 30 April 2009. |

The share subscription shall take place at the Espoo head office of AvestaPolarit or possibly at another location to be determined later. The subscriber shall transfer the respective warrant certificates with which he/she subscribes shares to the Company, or in case the warrants have been transferred to the book-entry securities system, the warrants with which shares have been subscribed shall be deleted from the subscriber's book-entry account. Payment for shares subscribed shall be effected upon subscription to the bank account appointed by the Company. The Company shall decide on all measures concerning the share subscription.

3. Share Subscription Price

The share subscription price shall be:

- for warrant 2002A the trade volume weighted average quotation of the AvestaPolarit share on the Helsinki Exchanges between 1 April and 30 April 2002,
- for warrant 2002B the trade volume weighted average quotation of the AvestaPolarit share on the Helsinki Exchanges between 1 April and 30 April 2003,
- for warrant 2002C the trade volume weighted average quotation of the AvestaPolarit share on the Helsinki Exchanges between 1 April and 30 April 2004.

From the share subscription price of warrants shall, as per the dividend record date, be deducted the amount of the dividend decided after the beginning of the period for determination of the subscription price but before share subscription. The share subscription price shall nevertheless always amount to at least the book equivalent value of the share.

4. Registration of Shares

Shares subscribed for and fully paid shall be registered in the book-entry account of the subscriber.

5. Shareholder Rights

Dividend rights of the shares and other shareholder rights shall commence when the increase of the share capital has been registered with the Trade Register.

6. Share Issues, Convertible Bonds and Warrants before Share Subscription

Should the Company, before the share subscription, increase its share capital through an issue of new shares, or issue of new convertible bonds or warrants, a warrant owner shall have the same right as or an equal right to that of a shareholder. Equality is reached in the manner determined by the Board of Directors by adjusting the amount of shares available for subscription, the subscription price or both of these.

Should the Company, before the subscription for shares, increase its share capital by way of a bonus issue, the subscription ratio shall be amended so that the ratio to the share capital of shares to be subscribed by virtue of warrants remains unchanged. If the number of shares that can be subscribed for by virtue of one warrant should be a fraction, the fractional part shall be taken into account by reducing the subscription price.

7. Rights in Certain Cases

If the Company reduces its share capital before the share subscription, the subscription right accorded by the terms and conditions of the warrants shall be adjusted accordingly as specified in the resolution to reduce the share capital.

If the Company is placed in liquidation before the share subscription, the warrant owner shall be given an opportunity to exercise his subscription right before the liquidation begins within a period of time determined by the Board of Directors.

If the Company resolves to merge in another company as the company being acquired or in a company to be formed in a combination merger or if the Company resolves to be divided, the warrant owner shall before the merger or division be given the right to subscribe for the shares with his warrants within a period of time determined by the Board of Directors. After such date no subscription right shall exist. In the above situations the warrant owner has no right to require that the Company redeems the warrants from him/her for market value.

If the Company, after the beginning of the period of subscription, resolves to acquire its own shares by an offer made to all shareholders, the warrant owners shall be made an equivalent offer. In other cases acquisition of the Company's own shares does not require the Company to take any action in relation to the warrants.

In case, before the end of the subscription period, a situation, as referred to in Chapter 14 Section 19 of the Finnish Companies Act, in which a shareholder possesses over 90% of the shares of the Company and therefore has the right and obligation to redeem the shares of the remaining shareholders, or a situation, as referred to in Chapter 6 Section 6 of the Finnish Securities Market Act, or a situation, as referred to in Section 15 in the Articles of Association arise, the warrant owners shall be entitled to use their right of subscription by virtue of the warrant within a period of time determined by the Board of Directors.

If the book equivalent value of the share is changed while the share capital remains unchanged, the subscription terms shall be amended so that the total book equivalent value of the shares available for subscription and the total subscription price remain the same.

Converting the Company from a public company into a private company will not affect the terms and conditions of the warrants.

8. Dispute Settlement

The laws of Finland shall be applied to these terms and conditions. Disputes arising in relation to the warrants shall be settled by arbitration in accordance with the Arbitration Rules of the Central Chamber of Commerce.

9. Other Matters

The Board of Directors may decide on the transfer of the warrants to the book-entry securities system at a later date and on the resulting technical amendments to these terms and conditions, including those amendments and specifications to the terms and conditions, which are not considered essential. Other matters related to the warrants are decided on by the Board of Directors. The warrant documentation is kept available for inspection at the head office of AvestaPolarit in Espoo.

The Company is entitled to withdraw the warrants which have not been transferred, or with which shares have not been subscribed, free of charge, if the warrant owner acts against these terms and conditions, or against regulations given by the Company on the basis of these terms and conditions, or against applicable law, or against regulations by authorities.

These terms and conditions have been made in Finnish and in English. In case of any discrepancy between the Finnish and English terms and conditions, the Finnish terms and conditions are decisive.

ENCLOSURE 2:**AUDITOR ´S STATEMENT**

to the Annual General Meeting of AvestaPolarit Oyj Abp

The Board of Directors of AvestaPolarit Oyj Abp has in its meeting of 13th February 2002 decided to propose to the Annual General Meeting to be held on 9th April 2002 that warrants be issued to the key personnel of the AvestaPolarit Group and to wholly owned subsidiary with deviation from the shareholders' pre-emptive right to subscription.

In accordance with Chapter 4, Section 12 b, Paragraph 1, and Section 4 a, Paragraph 2 in the Finnish Companies' Act, we as the auditors of AvestaPolarit Oyj Abp, hereby state the following. The proposal by the Board of Directors dated 13th February 2002 for determining the subscription price and for the reasons for deviation from the shareholders' pre-emptive right to subscription, in our opinion, gives true and fair view on the grounds on the basis of which the subscription price is determined, and the reasons for deviation from the pre-emptive subscription rights.

Helsinki, 13th February 2002

SVH Pricewaterhouse Coopers Oy
Authorised Public Accountants

Markku Marjomaa
APA

ENCLOSURE 3:**AUDITOR ´S STATEMENT**

The Board of Directors of AvestaPolarit Oyj Abp proposes to the Annual General Meeting to be held on 9th April 2002 that the shareholders authorize the Board of Directors to decide on an increase in the Company's share capital by issuing new shares and convertible bonds by deviating from the shareholders' pre-emptive rights to the subscription. As a statement pursuant to the Companies Act, Chapter 4, Section 4a, Paragraph 2 and Section 12b, Paragraph 1, we herewith state that the proposal of the Board of Directors dated 13th February 2002 gives a true and fair view concerning the basis for determining the subscription price and the reasons for deviation from the shareholders' pre-emptive rights to the subscription.

Helsinki 13th February 2002

SVH Pricewaterhouse Coopers Oy
Authorised Public Accountants

Markku Marjomaa
APA