

**AvestaPolarit to enhance stainless steel long products capabilities in North America**

AvestaPolarit's US subsidiary, AvestaPolarit, Inc. is enhancing its capabilities in stainless steel long products through investments in new capacity and a long-term hire-rolling cooperation agreement with Allegheny Technologies Incorporated in Richburg, South Carolina.

"This project is fully in line with AvestaPolarit's strategy to seek new growth outside its main markets in Europe, and it is also closely linked to our plans to further develop and strengthen the Group's business in stainless steel long products. In connection with the on-going restructuring of our melting activities, we are investing in billet casting facilities at our Sheffield melting shop in the UK. This will give us highly cost-efficient feedstock and provide a strong platform for our expanding down-stream long products activities", says Ossi Virolainen, CEO of AvestaPolarit.

The new project will provide capacity for AvestaPolarit to significantly grow its North American stainless steel long products manufacturing capability. Going forward, AvestaPolarit's total expenditure amounts to about USD 22 million. This comprises investments to enhance AvestaPolarit's own cold finishing capabilities for stainless steel long products, as well as a contribution to expand production capabilities at Allegheny Technologies' rolling mill. Both of these production facilities are located in Richburg, South Carolina. The project includes a conversion agreement, which gives AvestaPolarit access to hire-rolling stainless steel long products at Allegheny Technologies' Richburg mill at competitive pricing over a 20-year period. AvestaPolarit and Allegheny Technologies have successfully co-operated on a conversion program at the Richburg bar mill since 1994.

"The agreement will make AvestaPolarit more competitive in the stainless steel long products area by developing rolling and finishing facilities that are world class in terms of cost, efficiency and quality," stated Mike Rinker, President of AvestaPolarit, Inc. and Business Area Manager for the Group's North American operations.

"This more efficient, increased capacity will provide AvestaPolarit with the opportunity to expand its current market position," stated Lou Kern, Executive Vice President for the company's stainless steel long products operations in North America. "This is a giant step toward our goal of becoming a leading stainless steel long products producer here in North America."

AvestaPolarit, Inc. supplies high quality stainless steel round bar in sizes from ¼" up to 15" in diameter, as well as stainless hexagonal and square bar, billet, wire rod and rebar.

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