

Statement by the AvestaPolarit Board Committee on Outokumpu's share redemption offer

The Board of Directors of AvestaPolarit Oyj Abp has today received the Finnish Financial Supervision Authority's decision to approve Outokumpu's redemption offer document. It has also received a statement from the Board Committee of independent directors, which was formed on 1 July 2002 to assess the Outokumpu redemption offer for all outstanding shares in AvestaPolarit. The Board Committee has concluded that it is not in a position to render a recommendation to the company's shareholders as to the redemption offer, particularly in view of the Finnish Financial Supervision Authority's decision, which, although approving the redemption offer document, contends the redemption offer price and argues that the calculation of the price should consider also the EUR 25 million paid by Outokumpu to Corus for the early termination of their Shareholders' Agreement.

The Board of Directors decided to publish the Board Committee's statement in full in this stock exchange release.

The Board Committee's statement:

"Outokumpu Oyj ("Outokumpu") on 1 July 2002 first announced that it had entered into a share purchase agreement (the "Share Purchase Agreement") with Corus Group plc ("Corus") pursuant to which Outokumpu was to acquire all 80,882,090 shares in AvestaPolarit Oyj Abp ("AvestaPolarit" or the "Company") held by Corus for a purchase price of EUR 6.55 per share. Outokumpu also announced its intention to make a redemption offer in cash for the remaining AvestaPolarit shares at the same price of EUR 6.55 per share. Moreover, Outokumpu announced an agreement between Outokumpu and Corus for early termination of a shareholders' agreement dated 27 September 2000 (the "Shareholders' Agreement") relating to their respective shareholding in AvestaPolarit. Under such termination agreement, Corus has agreed against a compensation of EUR 25 million (the "Termination Fee") to waive its rights under the Shareholders' Agreement.

Later on 1 July 2002, AvestaPolarit's Board of Directors formed a committee of independent Directors (the "Board Committee") to consider Outokumpu's contemplated redemption offer for shares and warrants in the Company not owned by Outokumpu (the "Redemption Offer") and make a recommendation to the shareholders in due course, prior to the cash offer acceptance period.

The Board Committee has today received the Redemption Offer Document for Outokumpu's Redemption Offer. Outokumpu currently holds approximately 88.0 per cent of the AvestaPolarit shares and votes, and is offering EUR 6.55 per share to the remaining shareholders (the "Offer Price"). The Board Committee, chaired by Mr Timo Peltola, has reviewed the terms of the Redemption Offer, and has, as part of its deliberations retained outside financial and legal advice to assist in the evaluation of the Redemption Offer.

The Board Committee notes that the Offer Price must be consistent with Chapter 6, Section 7 of the Finnish Securities Markets Act. In this respect the Board Committee in particular notes the contending views on the Offer Price contained in the Finnish Financial Supervision Authority's decision to approve the Redemption Offer Document. The Board Committee notes that the price determination is a matter of law to be finally settled by competent courts. The Financial Supervision Authority argues that the Termination Fee should be considered when calculating the Redemption Offer Price and that a corresponding sum should be paid also to the other holders of securities which Outokumpu is offering to redeem. In the light of the Finnish Financial Supervision Authority's

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decision, which has made it subject to doubt whether the Termination Fee shall be deemed to form an integral part of the consideration paid for the AvestaPolarit shares acquired by Outokumpu from Corus pursuant to the Share Purchase Agreement, and in view of statements by the Company's financial and legal advisors, as well as other relevant circumstances, the Board Committee is not in a position to render a recommendation to the Company's shareholders as to the Redemption Offer."

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