

Outokumpu to exercise its right to redeem all remaining AvestaPolarit shares

Outokumpu's redemption offer regarding the shares and warrants in AvestaPolarit expired on 11 October 2002. Outokumpu has in its stock exchange release today announced that it, through the redemption offer, has redeemed a total of 35 974 136 shares from the shareholders of AvestaPolarit. Together with shares purchased from the market Outokumpu owns approximately 99.8 per cent of the shares and votes in AvestaPolarit. Outokumpu has redeemed 1 460 000, i.e. 100 per cent, of the warrants subject to the offer.

Since Outokumpu owns more than nine tenths (9/10) of the shares and votes in AvestaPolarit, Outokumpu is, on the basis of Chapter 14, Section 19 of the Finnish Companies Act, entitled to redeem the shares held by other shareholders in AvestaPolarit at fair value. Outokumpu has today, 14 October 2002 notified AvestaPolarit that it will exercise its redemption right under the Finnish Companies Act and redeem the shares held by the remaining shareholders in AvestaPolarit. Outokumpu's claim based on the redemption right is the following:

Redemption Price of the Shares

The redemption price is EUR 6.55 per share, which in Outokumpu's view shall be considered as the fair value of the shares according to the Companies Act. The redemption price corresponds to the consideration offered by Outokumpu in the mandatory redemption offer for AvestaPolarit's shares announced on 19 August 2002.

The volume weighted average share price paid for AvestaPolarit's shares on the main list of the Helsinki Exchanges during the 12 months prior to the triggering of the redemption obligation under Chapter 6, Section 6 of the Finnish Securities Market Act is EUR 6.01.

Transfer Tax and Payments

Outokumpu will be responsible for possible transfer tax payable in Finland and in Sweden deriving from the redemption of the shares as well as for the payments and charges arising from the book-entry registrations carried out as a consequence of the redemption.

In accordance with this redemption claim Outokumpu will initiate arbitration as provided in the Companies Act. AvestaPolarit will on basis of Outokumpu's redemption claim file an application to the District Court of Espoo, in which it requests a trustee to be appointed in order to supervise the interests of absent shareholders during the redemption and arbitral procedures.

Outokumpu's intention is that AvestaPolarit will apply for delisting of its share from the main list of the Helsinki Exchanges and the A-list of the Stockholm Exchange at the latest after Outokumpu has become the legal owner to all the issued and outstanding shares in AvestaPolarit.

The background of Outokumpu's redemption claim has been presented in the redemption offer document, which is available at the offices of D. Carnegie AB and the Outokumpu head office.

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This stock exchange release must not be released or distributed in whole or in part in or into the United States, Canada, Australia or Japan. The Redemption Offer is not being made to, nor will tenders be accepted from or on behalf of persons whose participation would require an additional prospectus, registration or measures other than those required under Finnish or Swedish law. In particular, the Redemption Offer is not being made, directly or indirectly, in or into, or by use of the mails of, or by any means of instrumentality (including without limitations, facsimile, telex, telephone and the Internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of the United States, Canada, Australia or Japan and the Redemption Offer cannot be accepted by any such use, means or instrumentality or from within the United States, Canada, Australia or Japan.

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Corporate Management**

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