

AvestaPolarit Interim Report - January to September 2002

Improved profitability during the seasonally slow third quarter

- The operating profit for the third quarter improved significantly compared to the corresponding period last year and amounted to EUR 26 million (EUR 4 million). The operating profit for the nine months totalled EUR 204 million (EUR 118 million), representing an increase of 73% compared to last year.
- Net sales for the third quarter rose by 6% compared to last year's figures and totalled EUR 671 million (EUR 631 million). Net sales for the nine-month period amounted to EUR 2 263 million (EUR 2 298 million).
- The market conditions for stainless steel remained stable during the third quarter, even if markets were seasonally slow due to the summer break and scheduled maintenance stoppages. Stainless steel transaction prices and conversion margins increased.
- Major investment projects are proceeding on time.
- Outokumpu Oyj's ownership in AvestaPolarit reached 99.8% on 11 October. Integration of key corporate staff functions is progressing to plan.
- The short-term outlook for stainless steel markets remains uncertain.

Key figures

EUR million	July-Sep	July-Sep	Jan-Sep	Pro forma	Actual
	2002	2001	2002	Jan-Sep 2001	Jan-Sep 2001
Net sales	671	631	2 263	2 298	2 172
Operating profit	26	4	204	118	116
Profit before extraordinary items	21	2	197	110	108
Profit for the financial period	18	6	151	83	83
Earnings per share, EUR	0.05	0.02	0.43	0.24	0.25
Return on capital employed, %	4.3	0.8	11.9	8.1	11.5
Net interest-bearing debt	765	349	765	349	349
Debt-to-equity ratio (gearing), %	57.3	30.2	57.3	30.2	30.2

All comparables for January-September 2001 in this text are pro forma figures including Avesta Sheffield for the full periods stated. In corresponding actual figures, Avesta Sheffield has been consolidated into AvestaPolarit as from 23 January 2001.

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Interim Report - January to September 2002

Improved market conditions for stainless steel marred by increasing uncertainty

World economic growth was below expectations during the third quarter. Business and consumer confidence reduced, both in Europe and the USA, indicating that the economic recovery will be delayed. In Japan, the positive developments noted during the second quarter also tapered off and the latest signs indicate a prolonged economic slowdown. In China, however, economic growth has remained strong.

Despite an adverse economic climate, the market conditions for stainless steel remained stable during the quarter, allowing some price increases. European average base prices rose by 7% compared to the corresponding period last year and conversion margins were up 12% compared to last year's figures. Base price levels also increased compared to the second quarter of 2002. The balance of supply and demand was maintained and inventories remained at normal levels in Europe and the USA. Demand continued to grow healthily, but slowed towards the end of the period, especially in Europe and the USA. In Asia, the implementation of safeguard quotas and tariffs in China and Thailand has caused confusion in the market.

Quarto plate shipments into Europe fell sharply in July, but have since returned closer to normal levels. Quarto plate base prices remained stable during the third quarter. The market conditions for long products were more difficult, allowing only moderate price increases for some products. Prices for precision strip were relatively stable, even though recent improvements in market activity showed signs of slowing. Prices for tubes and fittings remained under pressure, despite increases in raw material prices.

Supported by the growth in stainless steel production, nickel demand continued to rise, resulting in a slight deficit in the balance of supply and demand. Supply of scrap remained poor, increasing the demand for primary nickel. Nickel prices were up 24% compared to the corresponding period last year, but remained slightly below the average prices for the second quarter of 2002. The market sentiment for nickel weakened towards the end of the period in line with the worsening economic outlook.

Market conditions for ferrochrome continued to improve markedly. The balance of supply and demand was clearly in deficit and inventories fell close to normal levels. Ferrochrome prices rose by almost 7% compared to the second quarter of 2002 and 3% compared to the third quarter of 2001.

Molybdenum prices rose sharply in July as a consequence of a sudden deficit in the balance of supply and demand on the spot-market. Prices have since declined, but still remain at significantly higher levels than those relatively low levels recorded prior to the peak in July.

Improved results for the seasonally slow third quarter

Net sales for the third quarter were up 6% compared to the corresponding period last year as a result of an increase in delivery volumes. Due to scheduled maintenance stoppages and the seasonal decline in customer activity during the summer break, net sales fell by 18% compared to the second quarter and amounted to EUR 671 million

(EUR 631 million). Although there were some difficulties at the Group's melting shops, stainless steel deliveries for the third quarter were up 2% compared to the corresponding period last year.

The operating profit for July to September improved markedly compared to last year and amounted to EUR 26 million (EUR 4 million), primarily due to increased conversion margins and higher delivery volumes. Profit for the third quarter totalled EUR 18 million (EUR 6 million). The return on capital employed was 4.3% (0.8%) and earnings per share amounted to EUR 0.05 (EUR 0.02).

The cash flow from operating activities for July to September decreased compared to the corresponding period last year but improved compared to the second quarter of 2002. As a result of the ongoing capital expenditure programme, net interest-bearing debt increased to EUR 765 million.

Key balance sheet ratios	30 Sep 2002	30 June 2002	31 Mar 2002	31 Dec 2001	30 Sep 2001
Debt-to-equity ratio (gearing), %	57.3	50.8	41.7	39.7	30.2
Equity-to-assets ratio (solvency), %	40.4	40.5	42.1	41.6	41.2
Net interest-bearing debt, EUR million	765	666	537	482	349

Significantly improved profits for the nine months

Net sales for January to September fell by 2% compared to the corresponding period last year and amounted to EUR 2 263 million (EUR 2 298 million). The operating profit for the nine months improved significantly and totalled EUR 204 million (EUR 118 million). This improvement resulted from an increase in conversion margins, higher deliveries and improved efficiency. The operating profit reported for January to September 2002 includes a net profit of EUR 20 million related to insurance compensation received in relation to the fire at the Group's facilities in Helmond in the Netherlands.

Net financial expenses were EUR 9 million (EUR 8 million) and the profit for the nine-month financial period totalled EUR 151 million (EUR 83 million). Earnings per share amounted to EUR 0.43 (EUR 0.24) and the return on capital employed was 11.9% (8.1%).

Investment projects on schedule

The total capital expenditure for January to September amounted to EUR 423 million (EUR 257 million). Overall, the Group's capital expenditure for 2002 is estimated to total some EUR 550 million. This is higher than previous estimates, principally related to earlier phasing of the capital expenditure in the Tornio expansion project.

The expansion programme taking place at Tornio in Finland is proceeding on timetable. The first steel was melted at the new melting shop at the end of August and the first casting with the new equipment took place at the beginning of September. The cold rolling mill is due to be commissioned from the end of December and the customer deliveries will start gradually during the first quarter of 2003. Full production capacity

will not be reached before 2004. The total capital expenditure for the Tornio expansion, including also the investment to increase the hot rolling capacity to 1.7 million tonnes, is estimated to amount to some EUR 1 billion.

Other major investment projects, including the move to underground mining at the Kemi chromium mine in Finland, the installation of a new billet caster at the Sheffield melting shop in the UK, and the increase of long products capacity in the USA, are proceeding according to plan.

In September, AvestaPolarit signed a letter of intent with ThyssenKrupp Nirosta GmbH (TKN) to purchase the stainless steel quarto plate business of TKN. Annual deliveries for this business are almost 40 000 tonnes, corresponding to net sales of approximately EUR 95 million. The intention is to relocate the quarto plate manufacturing activities to Degerfors, Sweden, although certain hire processing activities will remain sourced from Germany. It is expected that this transaction will be completed by the end of December 2002, provided that the requisite regulatory approvals are granted.

In October, AvestaPolarit completed the purchase of Commerciale Acciai S.p.a., which has been an exclusive distribution agent for the Tornio Integrated Mill in the Italian market since 1976. The combination of the current AvestaPolarit sales force and service centre activities in Italy with those of Commerciale Acciai will provide a strong platform for the future.

Business area reviews for the third quarter

Coil Products

Key figures	July-Sep 2002	July-Sep 2001
Net sales, EUR million	517	433
Operating profit, EUR million	16	0
Operating profit margin, %	3.1	0.0
Average number of employees	4 365	4 151

Third quarter net sales for the Coil Products business area were up 19% compared to the corresponding period last year as a result of increased sales prices and delivery volumes. The operating profit for July to September increased sharply from last year's figures and amounted to EUR 16 million. This improvement is primarily attributable to an increase in conversion margins.

Despite some difficulties experienced both in Tornio and Avesta melting shops, production volumes within the Coil Products business area increased compared to the corresponding quarter last year. Production volumes for cold rolled products were up 12%, white hot strip 17% and stainless steel slabs 13% (excluding slab production in Long Products) on last year's figures.

Special Products

Key figures	July-Sep 2002	July-Sep 2001
Net sales, EUR million	299	290
Operating profit, EUR million	1	2
Operating profit margin, %	0.3	0.7
Average number of employees	3 462	3 208

Third quarter net sales for the Special Products business area were up 3% compared to the corresponding period last year, mainly due to improved delivery volumes for the Hot Rolled Plate business unit. The operating profit fell to EUR 1 million. The weak profitability is attributable to the difficult trading environment, with pressure on selling prices at several business units. Delivery volumes remained near last year's levels at most of the business units.

Production at the various business units within Special Products ran relatively well during the slow summer period. With the exception of Tubes and Long Products, production volumes increased for all other business units compared to the same period last year. Long Products experienced some production difficulties at its melting shops in Degerfors and Sheffield, and slab production reduced 14%. The production volumes for its other products than slabs increased.

North America

Key figures	July-Sep 2002	July-Sep 2001
Net sales, EUR million	60	70
Operating profit, EUR million	1	-1
Operating profit margin, %	1.7	neg.
Average number of employees	354	370

Production within the North America business area ran quite smoothly, even if production volumes fell below last year levels. Net sales for the North America business area were down 14% compared to the corresponding period last year and amounted to EUR 60 million. This fall resulted mainly from the weakening of the US dollar.

The operating result for the third quarter improved compared to the corresponding period last year and amounted to EUR 1 million. The increase in profits resulted mainly from improved cost efficiency and slightly higher delivery volumes.

Integration with Outokumpu proceeding according to plan

The integration of corporate administrative activities in AvestaPolarit and Outokumpu, which was initiated at the end of August, has got off to a good start. Integration teams have now finalised their plans and the first steps to implement these plans have started. The target is to complete most of the integration tasks by the end of 2002 so that the new organisation can be operational early next year.

The integration process will focus on a number of key areas, all of which will eventually be handled by Outokumpu's or AvestaPolarit's offices in Espoo. A direct consequence of this is that the Stockholm office will be closed, affecting some 40 people.

The employees of AvestaPolarit's UK operations, whose employment dates back to before the AvestaPolarit merger, have remained as beneficiaries of the British Steel Pension Scheme. Following Corus' sale of all its AvestaPolarit shares, the eligibility to membership in that scheme will lapse. Discussions have been launched to establish a new replacement pension scheme.

The integration process as such will not have a major impact on AvestaPolarit's business units. AvestaPolarit will continue to pursue its business as usual under its current management and also retain its own brand name. AvestaPolarit will become a wholly-owned subsidiary of Outokumpu and will be de-listed. It will be the biggest business area and a core holding of the Outokumpu Group. AvestaPolarit's main strategies will remain unchanged.

Outokumpu's ownership in AvestaPolarit reached 99.8% on 11 October, when the extended acceptance period for the redemption offer ended. On 14 October, Outokumpu announced that it will exercise its redemption right under the Finnish Companies Act and will initiate an arbitration process to redeem all the remaining outstanding shares.

AvestaPolarit's Board has on 24 October decided to summon the shareholders to an extraordinary shareholders' meeting for 18 November 2002, with the proposal to change the Board composition to reflect the change in ownership, and to reduce the minimum number of Board members in the Articles of Association. The Board has also authorised the Chief Executive Officer to apply for de-listing of AvestaPolarit on the Helsinki and Stockholm stock exchanges at year-end 2002 or at the latest when all outstanding shares have been acquired by Outokumpu.

Growing uncertainty in the stainless steel market

The economic outlook weakened during the third quarter, with confidence indices declining in Europe and the USA. Increasing oil prices and concerns over the possibility of war in Iraq, combined with the effect of safeguard quotas and tariffs introduced in Asia, contributed to a growing uncertainty in the stainless steel market. Stainless steel deliveries to European markets are, however, expected to increase during the fourth quarter compared to the corresponding period last year and the base price level to remain stable. Asian prices remain under pressure.

General economic development will also affect the nickel markets and the volatility in nickel prices may continue. The short-term outlook for ferrochrome markets is relatively good and prices are expected to continue to strengthen during the fourth quarter.

In spite of the uncertain market, AvestaPolarit expects to see an improvement in its profitability for the fourth quarter compared to both the third quarter of 2002 and the fourth quarter of 2001.

Audit

This report has not been audited nor subject to a limited review audit.

Espoo, 25 October 2002

AvestaPolarit Oyj Abp

CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
**INCOME STATEMENT
(summary)**

EUR million

	July- Sep 2002	July- Sep 2001	Jan- Sep 2002	Pro forma ¹⁾		Jan- Sep 2001 ²⁾	Jan- Dec 2001 ²⁾
				Jan- Sep 2001	Jan- Dec 2001		
Net sales	671	631	2 263	2 298	2 977	2 172	2 851
Cost and expenses	-657	-642	-2 113	-2 215	-2 888	-2 091	-2 764
Unusual items	-	-	20	-	-	-	-
Amortisation of negative goodwill	10	12	31	33	45	33	45
Other operating income and expenses	2	3	3	2	7	2	7
Operating profit	26	4	204	118	141	116	139
Equity earnings in associated companies	0	0	2	0	-0	0	-0
Financial income and expenses	-5	-2	-9	-8	-10	-8	-10
Profit before extraordinary items	21	2	197	110	131	108	129
Extraordinary items	-	-	-	-	-	-	-
Income taxes	-3	5	-43	-26	-18	-24	-16
Minority interest in earnings	0	-1	-3	-1	-1	-1	-1
Profit for the financial period	18	6	151	83	112	83	112
Earnings per share ³⁾, EUR	0.05	0.02	0.43	0.24	0.32	0.25	0.33

¹⁾ In the pro forma figures, Avesta Sheffield has been consolidated into AvestaPolarit for the whole period.

²⁾ Avesta Sheffield has been consolidated into AvestaPolarit as from 23 January 2001.

³⁾ Diluted and undiluted earnings per share figures are the same.

STOCK EXCHANGE RELEASE

Espoo, 25 October 2002 at 12:00 hrs

BALANCE SHEET (summary)

EUR million	30 Sep 2002	30 Sep 2001	31 Dec 2001
Fixed assets and other long-term investments			
Intangible assets	16	13	18
Property, plant and equipment	1 825	1 380	1 505
Long-term financial assets ¹⁾	58	58	58
	1 899	1 451	1 581
Current assets			
Inventories	745	709	664
Receivables ¹⁾	592	584	572
Marketable securities	9	1	49
Cash and bank	61	61	56
	1 407	1 355	1 341
Total assets	3 306	2 806	2 922
Shareholders' equity	1 325	1 148	1 206
Minority interest	11	8	8
Negative goodwill	354	443	401
Long-term liabilities			
Interest-bearing	487	134	203
Non interest-bearing	289	280	285
	776	414	488
Current liabilities			
Interest-bearing	352	306	391
Non interest-bearing	488	487	428
	840	793	819
Total shareholders' equity and liabilities	3 306	2 806	2 922

¹⁾ Includes interest-bearing assets of EUR 4 million at 30 Sep 2002, EUR 29 million at 30 Sep 2001 and EUR 7 million at 31 December 2001.

**CASH FLOW STATEMENT
(summary)**

EUR million	July- Sep 2002	July- Sep 2001	Jan- Sep 2002	Pro forma ¹⁾		Jan- Sep 2001 ²⁾	Jan- Dec 2001 ²⁾
				Jan- Sep 2001	Jan- Dec 2001		
Income financing	49	17	233	122	123	117	126
Change in working capital	16	68	-63	110	91	127	97
Cash provided by operating activities	65	85	170	232	214	244	223
Capital expenditure	-171	-114	-423	-257	-408	-254	-405
Cash provided by other investing activities	6	9	3	6	40	36	70
Cash flow before financing activities	-100	-20	-250	-19	-154	26	-112
Cash provided by financing activities	89	17	215	-36	145	-41	143
Adjustments	-1	-	-	-	-3	-	-2
Change in cash and marketable securities	-12	-3	-35	-55	-12	-15	29

1) In the pro forma figures, Avesta Sheffield has been consolidated into AvestaPolarit for the whole period.

2) Avesta Sheffield has been consolidated into AvestaPolarit as from 23 January 2001.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR million	Share capital	Other restricted	Translation difference	Retained earnings	Total
Balance at 31 Dec 2000	104	212	-	360	676
Targeted share issue	84	390			474
Dividend				-52	-52
Translation differences			-33		-33
Net income				83	83
Balance at 30 Sep 2001	188	602	-33	391	1 148
Balance at 31 Dec 2001	188	602	-4	420	1 206
Dividend				-28	-28
Translation differences			-4		-4
Net income				151	151
Balance at 30 Sep 2002	188	602	-8	543	1 325

STOCK EXCHANGE RELEASE

Espoo, 25 October 2002 at 12:00 hrs

KEY FIGURES

	July-Sep 2002	July-Sep 2001	Jan-Sep 2002	Pro forma ¹⁾		Jan-Sep 2001 ²⁾	Jan-Dec 2001 ²⁾
Operating profit margin, %							
- excl. negative goodwill ³⁾	2.4	neg.	7.6	3.7	3.2	3.8	3.3
- incl. negative goodwill	3.9	0.6	9.0	5.1	4.7	5.3	4.9
Return on capital employed, %							
- excl. negative goodwill ³⁾	2.7	neg.	10.1	5.8	4.8	8.2	6.6
- incl. negative goodwill	4.3	0.8	11.9	8.1	7.0	11.5	9.8
Capital employed ⁴⁾ , EUR million	2 455	1 948	2 455	1 948	2 097	1 948	2 097
Net interest bearing debt ⁴⁾ , EUR million	765	349	765	349	482	349	482
Equity-to-assets ratio ⁴⁾ , %	40.4	41.2	40.4	41.2	41.6	41.2	41.6
Debt-to-equity ratio ⁴⁾ , %	57.3	30.2	57.3	30.2	39.7	30.2	39.7
Return on shareholders' equity, %	5.4	2.4	16.1	9.6	9.5	12.2	11.9
Earnings per share (excl. extraordinary items) ⁵⁾ , EUR							
- excl. negative goodwill ³⁾	0.02	-0.02	0.34	0.14	0.19	0.15	0.20
- incl. negative goodwill	0.05	0.02	0.43	0.24	0.32	0.25	0.33
Earnings per share ⁵⁾ , EUR							
- excl. negative goodwill ³⁾	0.02	-0.02	0.34	0.14	0.19	0.15	0.20
- incl. negative goodwill	0.05	0.02	0.43	0.24	0.32	0.25	0.33
Adjusted average number of shares outstanding, '000s	348 942	348 942	348 942	348 942	348 942	327 800	338 312
Shareholders' equity per share ⁴⁾ , EUR	3.80	3.29	3.80	3.29	3.46	3.29	3.46
Adjusted number of shares outstanding ⁴⁾ , '000s	348 942	348 942	348 942	348 942	348 942	348 942	348 942
Capital expenditure, EUR million	171	114	423	257	408	254	405
Depreciation ⁶⁾ , EUR million	31	32	93	94	123	91	120
Average number of employees ⁷⁾	9 368	9 043	9 072	9 023	9 003	8 433	8 855

¹⁾ In the pro forma figures, Avesta Sheffield has been consolidated into AvestaPolarit for the whole period.

²⁾ Avesta Sheffield has been consolidated into AvestaPolarit as from 23 January 2001.

³⁾ Amortisation of negative goodwill deducted from profit.

⁴⁾ At the end of the period.

⁵⁾ Diluted and undiluted earnings per share figures are the same.

⁶⁾ Amortisation of negative goodwill not included.

⁷⁾ The personnel figure for second and third quarters seasonally increases due to summer trainees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Principles applied in the financial statements

AvestaPolarit prepares its financial statements in accordance with generally accepted accounting principles in Finland. The reconciliation of the profit for the financial period and equity to International Accounting Standards ("IAS") does not show any material differences, as demonstrated below.

Profit for the financial period,	Jan-Sep
EUR million	2002
Profit for the financial period	151
Unrealised gains on hedges (net of tax)	2
Profit for the financial period based on IAS	153
Shareholders' equity,	30 Sep
EUR million	2002
Equity in the interim report	1 325
Unrealised gains on hedges (net of tax)	4
Equity based on IAS	1 329

Board of Directors' authority to increase share capital

The Board of Directors is authorised 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 EUR 37 685 767.86 or 69 788 459 shares. The authorisation is valid for a period of one year from the date of the Annual General meeting held on 9 April 2002.

Note to the income statement

EUR million	July-Sep 2002	July-Sep 2001	Jan-Sep 2002	Pro forma ¹⁾		Jan-Sep 2001 ²⁾	Jan-Dec 2001 ²⁾
				Jan-Sep 2001	Jan-Dec 2001		
Unusual items							
Restructuring and other provisions	-	-	-16	-	-29	-	-29
Net profit of the insurance compensation for Helmond fire ³⁾	-	-	20	-	-	-	-
Additional amortisation of negative goodwill	-	-	16	-	29	-	29
	-	-	20	-	-	-	-
Income taxes							
Current taxes	-5	-9	-28	-39	-49	-37	-47
Deferred taxes	2	14	-15	13	31	13	31
	-3	5	-43	-26	-18	-24	-16

Income taxes recognised for the interim period are a proportional share of the income taxes estimated for the entire financial year.

¹⁾ In the pro forma figures, Avesta Sheffield has been consolidated into AvestaPolarit for the whole period.

²⁾ Avesta Sheffield has been consolidated into AvestaPolarit as from 23 January 2001.

³⁾ The total insurance compensation is EUR 40 million, of which EUR 7 million has been accounted for in net sales and EUR 33 million in unusual items. The corresponding costs are EUR 7 million in cost of sales and EUR 13 million in unusual items. These items have been accounted for during the period April to June 2002.

STOCK EXCHANGE RELEASE

Espoo, 25 October 2002 at 12:00 hrs

Commitments	30 Sep	30 Sep	31 Dec
EUR million	2002	2001	2001
Mortgages and pledges to secure borrowings of Group companies	43	22	43
Guarantees on behalf of Group companies and other parties	15	16	15
Minimum future lease payments on operating leases	100	65	104

Financial indicators by quarter

EUR million	July-Sep	Apr-June	Jan-Mar	Oct-Dec	July-Sep	Apr-June	Pro forma ¹⁾ Jan-Mar
	2002	2002	2002	2001	2001	2001	2001
Net sales	671	823	769	679	631	837	830
Operating profit	26	103	75	23	4	80	34
Profit before extraordinary items	21	104	72	21	2	76	32
Earnings per share (excluding extraordinary items) ³⁾ , EUR	0.05	0.21	0.17	0.08	0.02	0.15	0.07
Earnings per share ³⁾ , EUR	0.05	0.21	0.17	0.08	0.02	0.15	0.07

Key financial figures by business area

EUR million	July-Sep	July-Sep	Jan-Sep	Pro forma ¹⁾			
	2002	2001	2002	Jan-Sep	Jan-Dec	Jan-Sep	Jan-Dec
				2001	2001	2001²⁾	2001²⁾
Net sales							
Coil Products	517	433	1 744	1 628	2 130	1 551	2 053
Special Products	299	290	999	1 050	1 350	977	1 277
North America	60	70	203	222	285	206	269
Other operations	286	292	972	984	1 272	910	1 198
Intra-group sales	-491	-454	-1 655	-1 586	-2 060	-1 472	-1 946
Total for the Group	671	631	2 263	2 298	2 977	2 172	2 851
Operating profit							
Coil Products ⁴⁾	16	0	130	58	83	52	77
Special Products ⁴⁾	1	2	36	28	14	24	10
North America	1	-1	5	-3	-6	-2	-5
Other operations ⁴⁾	-4	3	3	7	2	11	6
Amortisation of negative goodwill	10	12	31	33	45	33	45
Intra-group items	2	-12	-1	-5	3	-2	6
Total for the Group	26	4	204	118	141	116	139

¹⁾ In the pro forma figures, Avesta Sheffield has been consolidated into AvestaPolarit for the whole period.

²⁾ Avesta Sheffield has been consolidated into AvestaPolarit as from 23 January 2001.

³⁾ Diluted and undiluted earnings per share figures are the same.

⁴⁾ Restructuring and other provisions made during the first quarter of 2002 and fourth quarter of 2001 have been netted with the corresponding additional amortisation of negative goodwill. Accordingly, the operating profit for each business area is presented with a net income effect of zero for these two items.

STOCK EXCHANGE RELEASE

Espoo, 25 October 2002 at 12:00 hrs

Production of main products 1,000 tonnes	July- Sep 2002	July- Sep 2001	Jan- Sep 2002	Pro forma ¹⁾		Jan- Sep 2001 ²⁾	Jan- Dec 2001 ²⁾
				Jan- Sep 2001	Jan- Dec 2001		
Coil Products							
Steel slabs	337	329	1 159	1 128	1 487	1 076	1 435
- of which Long Products' share	109	127	386	408	481	374	447
Cold rolling mill production							
- cold rolled	178	159	606	575	766	555	746
- white hot strip	75	64	281	237	337	225	324
Special Products							
Ferrochrome	59	48	185	173	236	173	236
Tubes and tube fittings	13	16	51	45	60	42	57
Quarto plate	19	12	70	45	65	41	61
Long products ³⁾	33	27	127	114	178	103	167
Precision strip	6	5	16	20	25	18	23
North America							
Quarto plate, bar and tubes	17	19	57	58	75	54	71

¹⁾ In the pro forma figures, Avesta Sheffield has been consolidated into AvestaPolarit for the whole period.

²⁾ Avesta Sheffield has been consolidated into AvestaPolarit as from 23 January 2001.

³⁾ Other than slabs.

Open derivative instruments EUR million	Carrying value	Fair value	Contract amounts	
	30 Sep 2002	30 Sep 2002	30 Sep 2002	31 Dec 2001
Financial derivatives				
- Forward foreign exchange contracts	0	3	330	201
Metal derivatives				
- Forward nickel contracts ¹⁾	0	0	1 933	3 126
Electricity derivatives				
- Forward electricity contracts ²⁾	0	3	1 012 996	43 185

¹⁾ Contract amounts of nickel derivatives in tonnes.

²⁾ Contract amounts of electricity derivatives in MWh.

The derivative transactions have been made for hedging purposes. The fair value of derivatives indicates the result of those transactions if the deals were closed at the date of the balance sheet.

STOCK EXCHANGE RELEASE

Espoo, 25 October 2002 at 12:00 hrs

Euro exchange rates	July-Sep 2002	July-Sep 2001	Change %	Jan-Sep 2002	Jan-Sep 2001	Change %	Jan-Dec 2001
Average rates							
USD	0.98	0.89	10.1	0.93	0.90	3.3	0.90
SEK	9.23	9.41	-1.9	9.18	9.18	0.0	9.26
GBP	0.64	0.62	3.2	0.63	0.62	1.6	0.62
Closing rates							
USD				0.99	0.91	8.8	0.88
SEK				9.15	9.73	-6.0	9.30
GBP				0.63	0.62	1.6	0.61

The exchange rates are quoted by the European Central Bank.

Metal market prices		July-Sep 2002	July-Sep 2001	Jan-Sep 2002	Jan-Sep 2001	Change %	Jan-Dec 2001
Average prices							
Stainless steel							
- transaction price	EUR/kg	1.82	1.75	1.70	1.69	0.6	1.65
- base price	EUR/kg	1.45	1.35	1.39	1.28	8.6	1.28
- conversion margin	EUR/kg	1.03	0.92	0.96	0.86	11.6	0.86
Ferrochrome (Cr-content)							
	USD/lb	0.32	0.31	0.30	0.34	-11.8	0.32
	EUR/kg	0.72	0.76	0.72	0.83	-13.3	0.79
Nickel							
	USD/lb	3.10	2.49	3.02	2.83	6.7	2.70
	EUR/kg	6.95	6.17	7.18	6.97	3.0	6.64

Sources:

Stainless steel: CRU – German transaction price, base price and conversion margin (2mm cold rolled 304 sheet). CRU estimate prices for deliveries made in Germany during the period.

Ferrochrome: CRU – High carbon ferrochrome, 50-55% Cr.

Nickel: London Metal Exchange (LME) cash quotations.

Definitions of key figures

For definitions of key figures, see AvestaPolarit's Annual Report 2001 at www.avestapolarit.com.