

**PROPOSAL BY THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING OF  
OUTOKUMPU OYJ TO AUTHORIZE THE BOARD OF DIRECTORS TO RESOLVE TO ISSUE  
SHARES AND GRANT SPECIAL RIGHTS ENTITLING TO SHARES**

The Board of Directors of Outokumpu Oyj proposes to the Annual General Meeting to be held on March 27, 2008 that the Board of Directors be authorized to resolve to issue shares and special rights entitling to shares, as follows:

Pursuant to the authorization the Board of Directors has the right to resolve to issue a maximum of 36 000 000 shares through one or several share issues or by granting special rights entitling to shares, as specified in Chapter 10, Section 1, of the Finnish Companies Act, excluding option rights to the Company's management and personnel under an incentive plan.

Through the share issue and/or by granting special rights entitling to shares, a maximum of 18 000 000 new shares may be issued, which currently represents approximately 9,93 % of the Company's total number of registered shares, and additionally a maximum of 18 000 000 treasury shares may be transferred, which currently represents approximately 9,93 % of the Company's total number of registered shares.

The authorization includes the right to resolve upon all other terms and conditions of the share issue and special rights entitling to shares, including the subscription price and to whom shares or special rights may be issued. Thereby, the Board of Directors would have the authority to resolve upon the issue of shares and special rights in deviation of the pre-emptive subscription right of the shareholders.