

CONSOLIDATION OF TUBE AND TUBE FITTINGS BUSINESSES

At the general meeting held in February 2004, a decision was taken to consolidate the AvestaPolarit Stainless Tubes business (AST) with the tube fittings business, organized under the AvestaPolarit ABE Group (ABE). As these businesses have virtually the same customers and distributors, a number of obvious synergies have been identified. The consolidation of the two businesses will enable the internal logistics and production structure of this part of Outokumpu Stainless to be enhanced and rationalized, a development that will also benefit our customers.

The new company will henceforth market its products and services under the corporate Outokumpu brand and the marketing organizations will be merged to form a single sales organization. The name of the new business will be Outokumpu Stainless Tubular Products and all key products will be marketed under the corporate brand:



As far as our customers are concerned, it will be business as usual; we will continue to follow previously agreed procedures and channels in our cooperation and the change will also benefit our customers.

Bengt Blomberg has been appointed as President of the new company, and the head office will be based in the Stockholm area. Christer Bäck, currently President of AST, will take up a position as Senior Advisor within the Outokumpu Group, with responsibility for specific rationalization and restructuring projects. Further, Hendrik Hasewinkel, currently President of Calamo Nords AB, has been appointed as Vice President, Sales and Marketing for the new company. Together with Bengt Blomberg, Hendrik Hasewinkel will be responsible for setting up the company's new sales organization.

Christer Asp from JARO in Jakobstad, Finland has been appointed as Vice President, Technical, Olof Nilsson from AST in Nyby has been appointed as Vice President, Production and Jonas Rosén, from AST in Fagersta, has been appointed as Vice President with responsibility for the company's special products.

The new company and all current marketing material will gradually be replaced with updated information and we will of course keep you informed of such changes. Our sales staff will be happy to answer any questions you might have regarding the reorganization.

Best regards,

Outokumpu Stainless Tubular Products



Bengt Blomberg
President



Hendrik Hasewinkel
Vice President, Sales & Marketing

Outokumpu Stainless Steel Oy

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