

OUTOKUMPU BUILDS STAINLESS STEEL SERVICE CENTER IN INDIA AND ALSO PREPARES FEASIBILITY STUDY TO BUILD A COLD ROLLING MILL IN INDIA

Outokumpu's Board of Directors has today approved plans to build a green field stainless steel Service Center in the western part of India. The Service Center is scheduled to be in operation in the first half of 2009, at an investment cost of some EUR 30 million.

India is experiencing strong economic growth which is forecast to remain robust. India currently has a low per capita stainless consumption and it is estimated to grow strongly in the coming years. The western region is today the major stainless steel consuming area in India and the consumption there is forecast to remain dominant.

The new Service Center, with an annual capacity to stock and process some 50 000 tons of stainless steel coil, will significantly complement the services that Outokumpu's Indian sales office has been providing to Indian customers. The Service Center will have cut-to-length, slitting, polishing and brushing lines to serve among others the metals goods, equipment fabrication, process industries, as well as welded pipe and tube manufacturers. The cold rolled stainless steel coil supply will come mainly from Outokumpu's integrated stainless steel mill in Tornio, Finland.

Says **Yatinder Suri**, head of Outokumpu's Indian sales company, "Indian stainless market has entered a phase of growth and this is the most opportune time for Outokumpu to support the emerging needs of the country with customized stainless steel products.

Currently over 50% of the stainless steel products required by end users in India are being bought through trading channels. There is a pressing demand from end users for mill backed service centers so that they can buy the right quality products on a just in time basis.

This step is indeed an excellent display of our vision to achieve leadership through providing competitive advantage to our customers."

New cold rolling mill planned to India

To further strengthen the Group's market position in India, Outokumpu is planning to build a new green field stainless steel cold rolling mill in India. An initial study has already been completed, and now a more detailed feasibility study on the project has started and is expected to be finalized in the first quarter of 2008. In the study the possibility of utilizing some of the unused equipment from the Sheffield cold rolling mill that was closed in 2006 will be evaluated. The planned mill would have an annual capacity of some 250 000 tons of cold rolled stainless steel coil. The hot rolled feedstock would come from Outokumpu's integrated stainless steel mill in Tornio, Finland.

Says **Juha Rantanen**, CEO of Outokumpu, "The new Service Center and the planned cold rolling mill in India will increase Outokumpu's geographical coverage and support our aim to

increase sales directly to end-users. During the course of 2007 further options will be evaluated to widen Outokumpu's geographical presence."

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