

OUTOKUMPU TO CLOSE ITS PRODUCTION SITE IN VETELI IN FINLAND

Outokumpu is taking new actions to restructure its Stainless Tubular Business Unit (OSTP). To optimize production and cut costs the company intends to close its production site in Veteli in Finland.

In Veteli, a wide range of fittings to tubular products are produced. Two of the production lines will be moved to Outokumpu's site in Jakobstad, Finland. The third line will be closed. Additionally, part of the production volumes will be moved to the site in Svedjeholmen in Örnsköldsvik, Sweden. The restructuring does not affect Outokumpu's product range or offering.

"This move enables us to integrate the fittings production into the process pipe plant of Jakobstad and to use our different production methods in an optimal way. By decreasing the number of sites, we make cost savings which is necessary to us in this difficult market climate", says Lasse Johansson, the head of OSTP business unit.

The closing of the Veteli site is planned to take place at the end of March 2010. The site employs about 50 people who will be affected by these changes. Part of the employees will be offered to transfer to Jakobstad. Outokumpu will start negotiations with personnel representatives to find solutions for employees in the change process.

For more information, please contact:

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Outokumpu is a global leader in stainless steel. Our vision is to be the undisputed number one in stainless, with success based on operational excellence. Customers in a wide range of industries use our stainless steel and services worldwide. Being fully recyclable, maintenance-free, as well as very strong and durable material, stainless steel is one of the key building blocks for sustainable future. Outokumpu operates in some 30 countries and employs some 8 000 people. The Group's head office is located in Espoo, Finland. Outokumpu has been listed on the NASDAQ OMX Helsinki since 1988.
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