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OUTOKUMPU DUPLEX SPECIALTY STAINLESS BREAKTHROUGH IN THE CHINESE DOMESTIC WATER HEATER MARKET

Outokumpu introduces duplex stainless steel to domestic water heaters in China producing the first-ever duplex water heater tank in cooperation with a local fabricator Phinx. Duplex stainless steel means that less material is required while superior corrosion resistance is maintained in the application.

Outokumpu's long business development efforts in China came to fruition when a prototype water storage tank for domestic water heaters was fabricated from Outokumpu's thin duplex stainless steel sheet of grade 2304. To maximize their service life, water heaters should be manufactured with stainless steel, although these types of heaters are still a minority in the global domestic water heater market.

The use of high strength of duplex in this application results in considerable material savings and the greater corrosion resistance allows for the longest service life of all types of domestic water heater tanks.

"This is a leading example of market development activities at their best. Thanks to close cooperation with a local Chinese fabricator and a number of Outokumpu's own units and our R&D expertise, we have been able to produce a full-size prototype tank based on the design of the potential buyer", says Dr. Chang-Ching Sun from Outokumpu's sales office in China.

The ongoing construction boom in China means huge growth in demand for domestic appliances such as water heaters. Worldwide, water heaters with storage tanks are the most popular method to provide hot water for households. If the storage tanks are made from stainless steel, domestic water heaters offer vast market potential for stainless in China.

"There is still a great deal of work to be done before large-scale commercial sales but it is fair to say that the seed for duplex stainless steel domestic water heater tanks in China has been sown", continues Dr. Sun on the prospects.

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OUTOKUMPU OYJ

Outokumpu is a global leader in stainless steel with the vision to be the undisputed number one. 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 employs some 8 000 people in more than 30 countries. The Group's head office is located in Espoo, Finland. Outokumpu is listed on the NASDAQ OMX Helsinki. www.outokumpu.com