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## **OUTOKUMPU INTRODUCES DAILY ALLOY SURCHARGE PRICING MODEL IN EUROPE**

Following a successful piloting, Outokumpu will introduce the daily alloy surcharge pricing model for distributors in Europe. Daily alloy surcharge (DAS) will cover new orders as of January 1, 2014 onwards.

According to the current monthly model, the alloy surcharges for stainless steel are fixed monthly based on historical alloy prices. In the new pricing model, Outokumpu will communicate the alloy surcharges on a daily basis for its customers at [www.outokumpu.com](http://www.outokumpu.com). Customer can flexibly decide whether to fix the alloy surcharge on the order date or on any other date between the order and mid-week prior to the delivery week.

Daily alloy surcharge benefits customers in several ways: it reacts faster and reflects the most recent raw material quotations, and gives customers more influence in choosing the time to fix the alloy surcharge. The daily alloy surcharge does not affect stainless steel base prices.

Says Olli-Matti Saksi, head of sales, Europe, Middle East and Africa: "By introducing the daily alloy surcharge pricing in the stainless steel industry, we want to address the shortcomings of the current monthly model while maintaining its benefits. Both customers and Outokumpu have seen the benefits of the new pricing model during pilot phase, and therefore we will introduce daily alloy surcharge as a standard pricing model for our European distributor customers from January 2014 onwards. We believe that daily alloy surcharge decreases volatility and enables easier hedging of raw materials positions while at the same time giving customers new freedom of decision. The daily alloy surcharge reacts faster to changes in raw material prices, which benefits both customers and Outokumpu."

Distributors account for some 35-40% of Outokumpu customer base in Europe.

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### **Outokumpu Group**

Outokumpu is the global leader in stainless steel and high performance alloys. We create advanced materials that are efficient, long lasting and recyclable – thus building a world that lasts forever. Stainless steel, invented a century ago, is an ideal material to create lasting solutions in demanding applications from cutlery to bridges, energy and medical equipment: it is 100% recyclable, corrosion-resistant, maintenance-free, durable and hygienic. Outokumpu employs more than 15 000 professionals in more than 40 countries, with headquarters in Espoo, Finland and shares listed in the NASDAQ OMX Helsinki. [www.outokumpu.com](http://www.outokumpu.com)