



Recently Published Data and Indices Affecting the Stainless Steel Industry

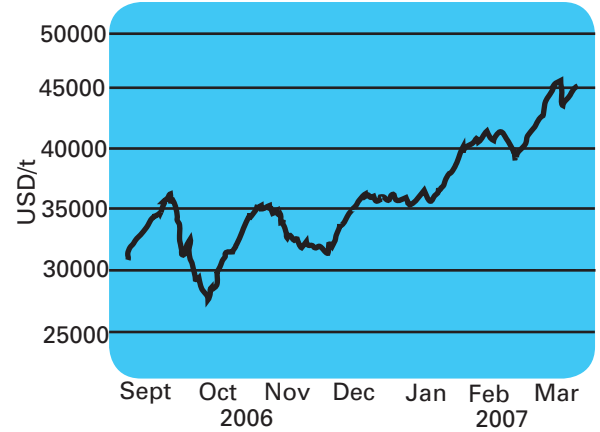
View Points

Outokumpu's LDX 2101® lean Duplex stainless steel offers the corrosion resistance of austenitic grade 304 — but with 90% greater strength and 80% less nickel content. Lower nickel content means greater price stability, and higher strength means reduced material thickness for construction savings. LDX 2101 has also been field-tested and is easy to weld, which makes it perfect for oil & gas pipelines that require excellent weld strength under all conditions. LDX 2101 is one of a family of Duplex stainless grades from Outokumpu. Outokumpu produces LDX 2101 in pipe, bar, hot and cold rolled plate, and coil.



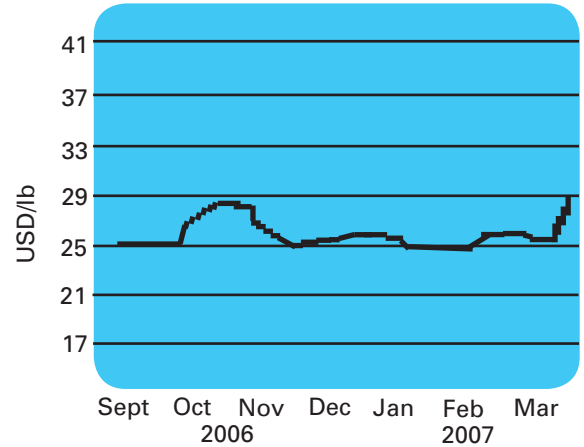
Nickel Prices- Cash Buyer

Source: LME 3/7/07



Molybdenum Prices

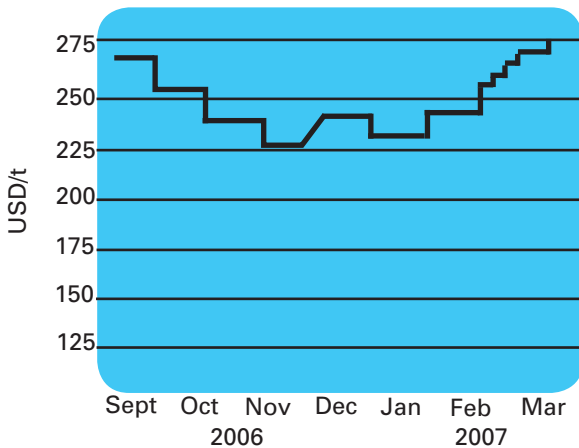
Source: Metal Bulletin 3/7/07



Metal Matters

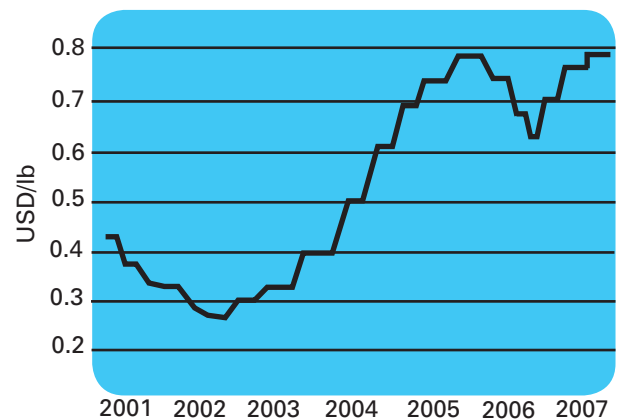
Scrap Prices

Source: Metal Bulletin 3/7/07



Ferrochrome Prices

Source: Metal Bulletin 3/7/07



U.S. Exports of Steel Mill Products

Source: The U.S. Commerce Department 2/15/07

Country	Month		
	Oct	Nov	Dec
World	779,816	731,601	637,352
Canada	486,642	423,480	374,284
Mexico	172,862	194,698	142,843
India	6,007	7,605	8,385
China	7,079	7,567	7,746
Federal Republic of Germany	5,239	3,594	4,702
Italy	3,029	3,015	5,189
Venezuela	3,571	6,570	7,690
United Kingdom	4,096	5,441	4,937

* Numbers in metric tons

Global Economic Matters

Exchange Rates

Source: Yahoo Finance 3/2/07

Crossrates							
	USD	EUR	JPY	GBP	CAD	SEK	CNY
USD	1	0.7594	117.0250	0.5143	1.1755	7.0610	7.7547
EUR	1.3167	1	154.0926	0.6771	1.5479	9.3133	10.210
JPY	0.008545	0.006490	1	0.004394	0.010045	0.06027	0.06610
GBP	1.9445	1.4768	227.5609	1	2.2859	13.741	15.080
CAD	0.8507	0.6460	99.5491	0.4375	1	6.0140	6.5986
SEK	0.1416	0.1077	16.611	0.07292	0.1666	1	1.0985
CNY	0.1293	0.09823	15.159	0.06649	0.1518	0.9119	1

USD= US Dollar
 EUR= Euro
 JPY= Japanese Yen
 GBP= British Pound

CAD= Canadian Dollar
 SEK= Swedish Krona
 CNY= Chinese Yuan

U.S. Economic Matters

Latest Statistics

Source: The Department of Labor 2/27/07

Consumer Price Index	+0.2%	Jan. 2007
Unemployment Rate	4.6%	Jan. 2006
Producer Price Index	-0.6 (p)%	Jan. 2006
Productivity	+0.3%	4th Qtr 2006

Gross Domestic Product

Source: The Bureau of Economic Analysis 2/28/07

↑ Real gross domestic product — the output of goods and services produced by labor and property located in the United States — increased at an annual rate of 2.2 percent in the fourth quarter of 2006, according to preliminary estimates released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 2.0 percent. The increase in real GDP in the fourth quarter primarily reflected positive contributions from personal consumption expenditures (PCE), exports, state and local government spending, and federal government spending that were partly offset by negative contributions from private inventory investment and residential fixed investment. Imports, which are a subtraction in the calculation of GDP, decreased.

Industrial Production and Capacity Utilization

Source: The Federal Reserve 2/15/07

Industrial Production	December	January
Total Index	112.5	111.1
Major Market Groups		
Final Products	113.5	113.0
Consumer Goods	107.7	107.5
Business Equipment	130.1	130.1
Nonindustrial Supplies	110.0	110.7
Construction	109.3	108.2
Materials	112.0	111.3
Manufacturing	114.3	113.5

Manufacturing

Source: The Institute for Supply Management 3/1/07

Index	Series Index Feb	Series Index Jan	Direction	Rate of Change	Trend (mos)
PMI	52.3	49.3	Growing	From Contracting	1
New Orders	54.9	50.3	Growing	Faster	3
Production	54.1	49.6	Growing	From Contracting	1
Employment	51.1	49.5	Growing	From Contracting	1
Supplier Deliveries	50.8	52.7	Slowing	Slower	44
Inventories	44.6	39.9	Contracting	Slower	7
Customers' Inventories	53.0	52.0	Too High	Faster	5
Prices	59.0	53.0	Increasing	Faster	2
Backlog of Orders	51.5	43.5	Growing	From Contracting	1
Exports	54.0	52.5	Growing	Faster	51
Imports	61.5	54.5	Growing	Faster	62
Overall Economy			Growing	Faster	64
Manufacturing Sector			Growing	From Contracting	1

Productivity

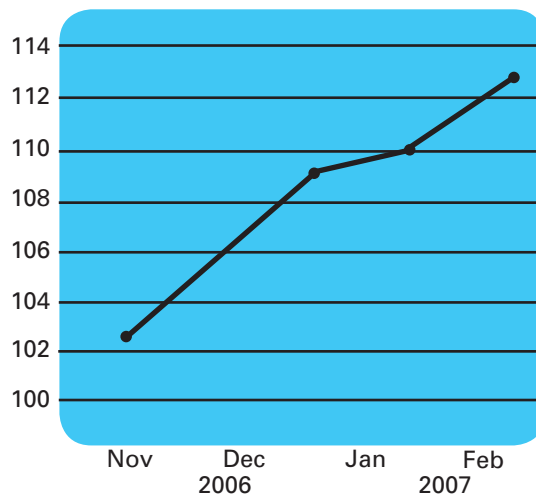
Source: The Department of Labor 3/6/07

↑ **Labor productivity** in the business sector increased 1.0 percent in the fourth quarter of 2006, as output increased 2.5 percent and hours of all persons engaged in the sector increased 1.5 percent (seasonally adjusted annual rates). Revised estimates show that output per hour declined 0.3 percent in the third quarter when output increased 1.9 percent but hours increased more, 2.2 percent.

↑ **Manufacturing productivity** increased 2.2 percent in the fourth quarter of 2006, as output decreased 2.1 percent and hours fell 4.2 percent (seasonally adjusted annual rates). The productivity increase was the smallest since the first quarter of 2004, when output per hour declined 1.7 percent. In durable goods industries, productivity increased 3.4 percent as both output and hours decreased, 0.9 percent and 4.2 percent, respectively. In nondurable goods industries, output per hour rose 0.8 percent, reflecting decreases of 3.5 percent in output and 4.2 percent in hours. In the third quarter of 2006, productivity increased 5.9 percent in total manufacturing, 8.1 percent in durable goods industries, and 2.7 percent in nondurable goods industries.

Consumer Confidence Index

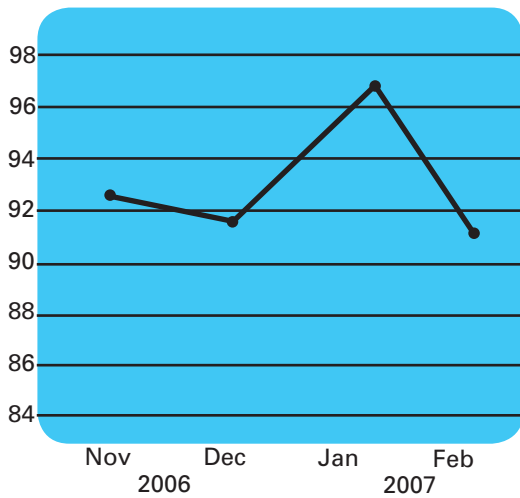
Source: The Conference Board 2/27/07



↑ **The Conference Board Consumer Confidence Index**, which had marginally increased in January, improved in February. The Index now stands at 112.5 (1985=100), up from 110.2 in January. The Present Situation Index increased to 139.0 from 133.9. The Expectations Index edged up slightly to 94.8 from 94.4 last month.

Index of Consumer Sentiment

Source: *The University of Michigan 3/07*



↓ Nearly the entire February loss in confidence was among lower income households due to their concerns about smaller income gains and growing job losses, especially among residents of the Midwest. The **Index of Consumer Sentiment** was 91.3 in the February 2007 survey, down from 96.9 in January, but above the 86.7 recorded in February 2006. The Index of Consumer Expectations, a closely watched component of the Index of Leading Economic Indicators, was 81.5 in the February 2007 survey, down from 87.6 in January but well above the 74.5 in February 2006. Less favorable growth prospects for the overall economy were responsible for the February decline in the Expectations Index. The Current Economic Conditions Index was 106.7 in the February 2007 survey, down from 111.3 in the January 2006 survey.

Manufacturers' Shipments, Inventories and Orders

Source: *The US Census Bureau 2/27/07*

↓ **New orders** for manufactured durable goods in January decreased \$17.1 billion or 7.8 percent to \$203.9 billion. This followed two consecutive monthly increases including a 2.8 percent December increase. Excluding transportation, new orders decreased 3.1 percent. Excluding defense, new orders decreased 7.8 percent.

↑ **Shipments** of manufactured durable goods in January, up five of the last six months, increased \$0.5 billion or 0.2 percent to \$211.4 billion. This followed a 0.5 percent December increase.

↑ **Unfilled orders** for manufactured durable goods in January, up twenty of the last twenty-one months, increased \$1.0 billion or 0.1 percent to \$695.5 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 2.2 percent December increase.

↑ **Inventories** of manufactured durable goods in January, up twelve of the last thirteen months, increased \$1.0 billion or 0.3 percent to \$297.7 billion. This followed a 0.7 percent December increase.



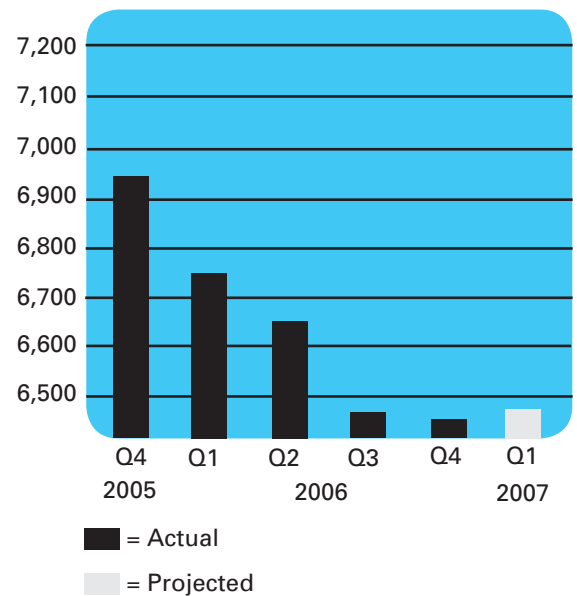
Help Wanted Index

Source: *The Conference Board 2/22/07*

↓ The **Conference Board Help-Wanted Advertising Index** — a key measure of job offerings in major newspapers across America — declined two points in January. The Index now stands at 32. It was 38 one year ago. In the last three months, help-wanted advertising rose in eight of the nine U.S. regions. Largest increases occurred in the New England (35.8%), East North Central (26.3%), and Mountain (21.9%) regions. The Pacific region declined 6.9%.

Housing Sales

Source: *The National Association of Realtors 3/07*



*Numbers in thousands

Editor: Maureen Meeker
 Please submit your comments by calling Maureen Meeker at 1-847-413-4111; fax 1-708-448-6821; or email: maureen.meeker@outokumpu.com

Outokumpu is an international stainless steel company. 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. We are dedicated to helping our customers gain competitive advantage.