



Recently Published Data and Indices Affecting the Stainless Steel Industry

View Points

To enable service centers to supply the broadest array of offerings to their customers, Outokumpu provides stainless steel hex bar product in sizes 3/16" to 1 5/8." Hex is now available with mill supplied, quality polished finish in standard grades and PRODEC® starting at 1/2". Lou Kern, Senior Vice President, Long Products explained that the most significant application for hex is in stainless steel fittings used in multiple industries including pulp and paper, chemical and petrochemical processing, aerospace, and food processing. "Many of these companies purchase up to 50% of their bar in hex — and tend to prefer hex in PRODEC. These industries also regularly use round and square bar, so our hex offerings perfectly compliment our existing product lines. The quality and range of our stainless materials — and the convenience of dealing with a single supplier — help our service centers meet the exacting needs of their customers," Kern added.

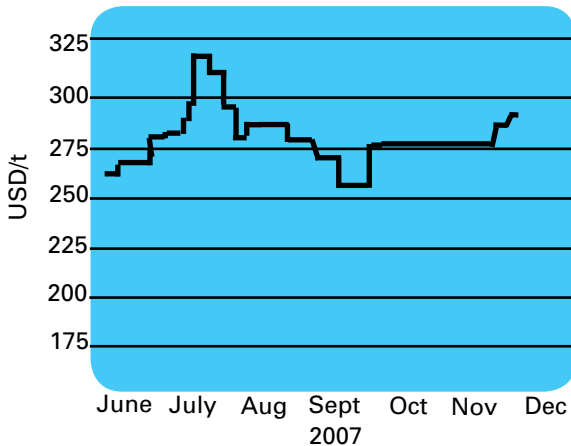


Stainless steel hex bar is available in sizes from 3/16" to 1 5/8."

Metal Matters

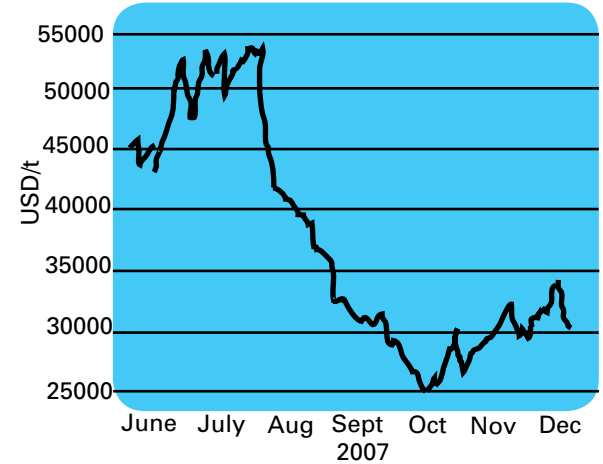
Scrap Prices

Source: Metal Bulletin 12/10/07



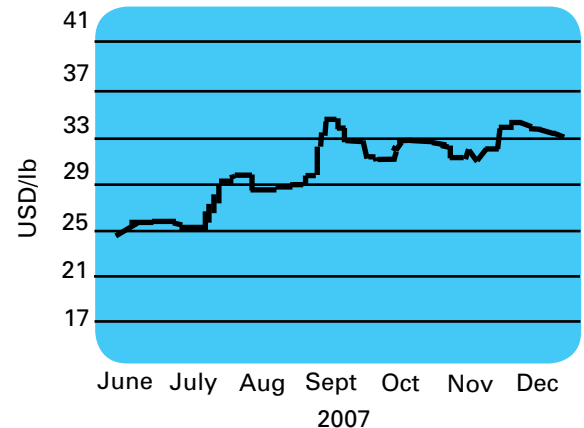
Nickel Prices- Cash Buyer

Source: LME 12/10/07



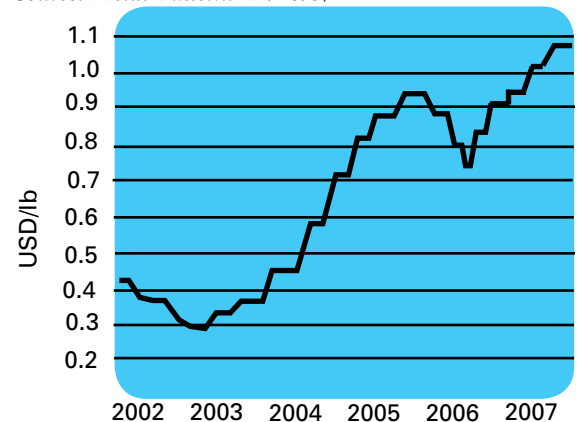
Molybdenum Prices

Source: Metal Bulletin 12/10/07



Ferrochrome Prices

Source: Metal Bulletin 12/10/07



U.S. Exports of Steel Mill Products

Source: The U.S. Commerce Department 12/12/07

Country	Month		
	Aug	Sept	Oct
World	881,284	903,506	955,881
Canada	496,046	507,952	547,283
Mexico	188,621	173,022	193,014
India	14,816	10,422	12,845
China	16,911	10,952	13,204
Federal Republic of Germany	7,143	7,470	3,994
Italy	10,572	5,331	12,644
Venezuela	5,287	5,410	5,200
United Kingdom	9,035	30,354	6,149

* Numbers in metric tons

Global Economic Matters

Exchange Rates

Source: Yahoo Finance 12/11/07

Crossrates							
	USD	EUR	JPY	GBP	CAD	SEK	CNY
USD	1	0.6801	111.8100	0.4905	1.0109	6.4069	7.3850
EUR	1.4703	1	164.3943	0.7211	1.4864	9.4204	10.857
JPY	0.008944	0.006083	1	0.004387	0.009042	0.05733	0.06607
GBP	2.0388	1.3867	227.9636	1	2.0612	13.075	15.057
CAD	0.9892	0.6728	110.5989	0.4852	1	6.3420	7.3101
SEK	0.1562	0.1062	17.453	0.07657	0.1578	1	1.533
CNY	0.1354	0.09213	15.134	0.06642	0.1368	0.8673	1

USD= US Dollar EUR= Euro JPY= Japanese Yen GPB= British Pound
 SEK= Swedish Krona CNY= Chinese Yuan CAD= Canadian Dollar

U.S. Economic Matters

Latest Statistics

Source: The Department of Labor 12/10/07

Consumer Price Index	+0.3%	Oct 2007
Unemployment Rate	4.7%	Nov 2007
Producer Price Index	+0.1 (p)%	Oct 2007
Productivity	+6.3%	3rd Qtr 2007

Gross Domestic Product

Source: The Bureau of Economic Analysis 11/29/07

↑ **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 4.9 percent in the third quarter of 2007. In the second quarter, real GDP increased 3.8 percent. The increase in real GDP in the third quarter primarily reflected positive contributions from exports, personal consumption expenditures (PCE), private inventory investment, equipment and software, federal government spending, nonresidential structures, and state and local government spending that were partly offset by a negative contribution from residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased.

Productivity

Source: The Department of Labor 12/5/07

↑ **Business sector productivity** grew at an annual rate of 6.7 percent during the third quarter of 2007, the largest gain since a 9.1 percent increase in the third quarter of 2003 (seasonally adjusted annual rates). Output rose 5.7 percent, the largest increase since a 10.4 percent rise in the third quarter of 2003. Hours of all persons engaged in the sector fell 1.0 percent, the first decline in the series since the second quarter of 2003, when hours fell 2.2 percent. When the third quarter of 2007 is compared to the third quarter of 2006, productivity rose 2.9 percent. This is the largest four-quarter increase since output per hour grew 3.4 percent from the second quarter of 2003 to the second quarter of 2004.

↑ Output per hour of all persons in the nonfarm **business sector** rose 6.3 percent during the third quarter of 2007, the largest gain since a 10.4 percent increase in the third quarter of 2003. Output increased 5.7 percent and hours of all persons engaged in the sector declined 0.6 percent, as revised. Hours growth was the lowest since the second quarter of 2003, when hours fell 1.3 percent. In the second quarter of 2007, productivity had increased 2.2 percent, reflecting gains of 4.2 percent in output and 2.0 percent in hours.

Industrial Production and Capacity Utilization

Source: The Federal Reserve 11/16/07

Industrial Production	Sept	Oct
Total Index	114.4	114.0
Major Market Groups		
Final Products	115.1	114.6
Consumer Goods	109.4	108.7
Business Equipment	133.8	134.3
Nonindustrial Supplies	111.8	111.0
Construction	109.8	108.5
Materials	114.6	114.5
Manufacturing	116.2	115.8

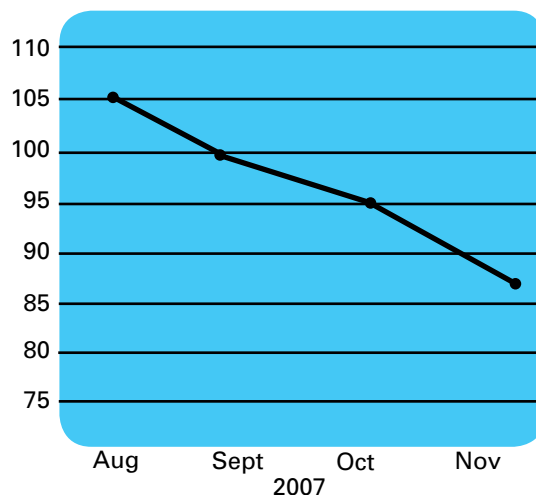
Manufacturing

Source: The Institute for Supply Management 12/3/07

Index	Series Index Nov	Series Index Oct	Direction	Rate of Change	Trend (mos)
PMI	50.8	50.9	Growing	Slower	10
New Orders	52.6	52.5	Growing	Faster	12
Production	51.9	49.6	Growing	From Contracting	1
Employment	47.8	52.0	Contracting	From Growing	1
Supplier Deliveries	51.7	50.6	Slowing	Faster	3
Inventories	46.9	47.2	Contracting	Faster	16
Customers' Inventories	49.0	54.0	Too Low	From Too High	1
Prices	67.5	63.0	Increasing	Faster	11
Backlog of Orders	41.5	46.0	Contracting	Faster	2
Exports	58.5	57.0	Growing	Faster	60
Imports	47.5	47.5	Contracting	Same	2
Overall Economy			Growing	Slower	73
Manufacturing Sector			Growing	Slower	10

Consumer Confidence Index

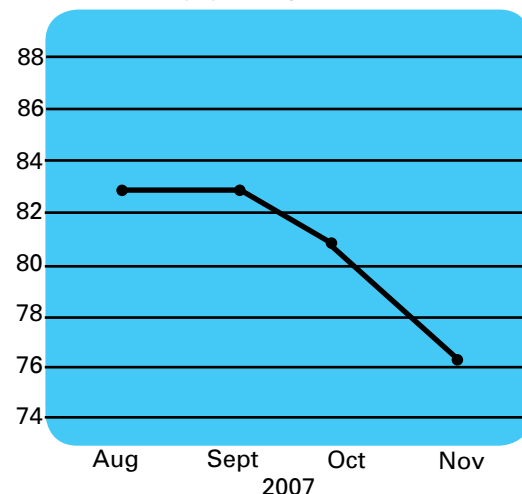
Source: The Conference Board 11/27/07



↓ The Conference Board Consumer Confidence Index, which has been declining since the summer, declined further in November. The Index now stands at 87.3 (1985=100), down from 95.2 in October. The Present Situation Index decreased to 115.4 from 118.0 in October. The Expectations Index declined to 68.7 from 80.0.

Index of Consumer Sentiment

Source: The University of Michigan 12/07



↓ Consumer confidence sank to its lowest level in two years. Although still above the point that signals impending recession, the diminished level of consumer confidence indicates that consumer spending growth will nearly come to a halt in the closing months of 2007 and first few months of 2008. The Index of Consumer Sentiment was 76.1 in the November 2007 survey, down from 80.9 in October and significantly below the 92.1 recorded in November of 2006. The Index of Consumer Expectations, a closely watched component of the Index of Leading Economic Indicators, was 66.2 in the November 2007 survey, down from 70.1 in October, and well below the 83.2 recorded last November. The Current Economic Conditions Index was 91.5 in the November 2007 survey, down from 97.6 in October.

Manufacturers' Shipments, Inventories and Orders

Source: The US Census Bureau 12/5/07

- ↓** **New orders** for manufactured durable goods in October, down three consecutive months, decreased \$0.4 billion or 0.2 percent to \$215.0 billion, revised from the previously published 0.4 percent decrease. This followed a 1.4 percent September decrease.
- ↑** **Shipments** of manufactured durable goods in October, up following two consecutive monthly decreases, increased \$1.6 billion or 0.8 percent to \$213.7 billion, revised from the previously published 0.6 percent increase. This followed a 1.8 percent September decrease.
- ↑** **Unfilled orders** for manufactured durable goods in October, up twenty-nine of the last thirty months, increased \$7.7 billion or 1.0 percent to \$779.5 billion, unchanged from the previously published increase. This was also at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 1.1 percent September increase.
- ↑** **Inventories** of manufactured durable goods in October, up three of the last four months, increased \$1.0 billion or 0.3 percent to \$314.6 billion, revised from the previously published 0.2 percent increase. This was also at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.3 percent September increase.

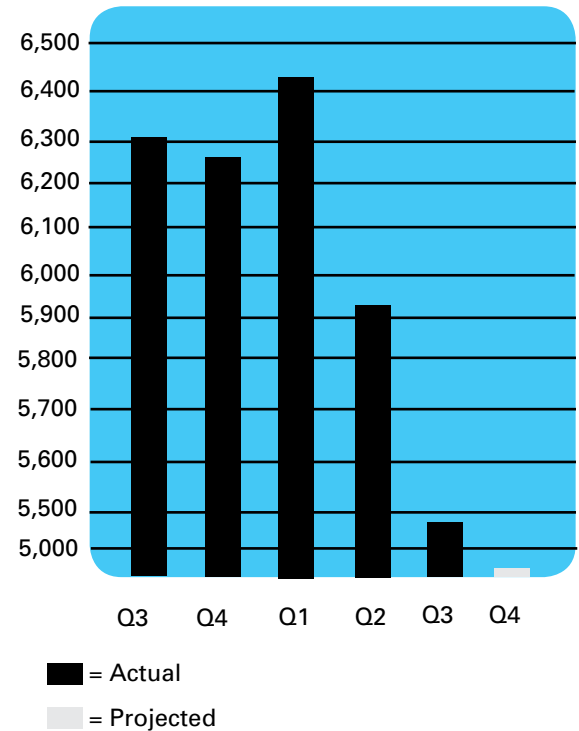
Help Wanted Index

Source: The Conference Board 11/29/07

- ↓** **The Conference Board Help-Wanted Advertising Index** — a key measure of job offerings in major newspapers across America — dipped one point in October. The Index now stands at 23. It was 29 one year ago. In the last three months, help-wanted advertising declined in all nine U.S. regions. Steepest declines occurred in the Pacific (-18.0%), West North Central (-14.7%) and East North Central (-14.3%) regions.

Housing Sales

Source: The National Association of Realtors 12/07



*Numbers in thousands



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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.