April 2009

Market Matters

Recently Published Data and Indices Affecting the Stainless Steel Industry

View Points

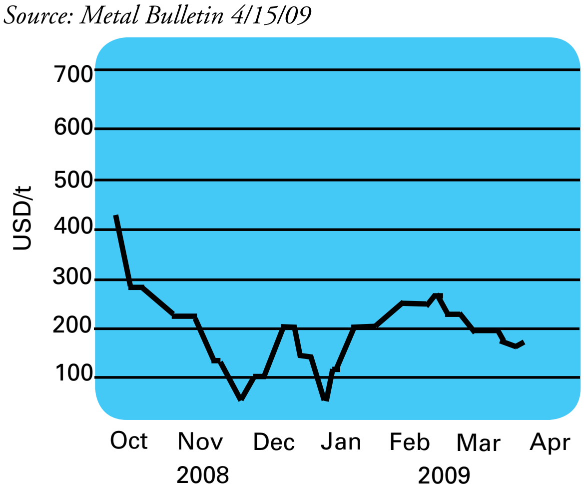
A new 16,000 sq. ft. shipping bay with a 70-ton crane capacity and efficient drive-through design is just one of numerous improvements at Outokumpu's New Castle, Indiana plate facility — part of a $50 million investment in the plant. Pictured (clockwise from top left): a new plasma cutting center for stainless plates .750" and thicker; a leveler and crop line to cut off both ends of stainless plates .500" and lighter prior to stretcher leveling; an interior view of the new shipping building with crane; and an exterior view of the shipping bay's entrance.

To further increase efficiency, the new shipping bay includes a separate covered area for up to three trucks at a time to tarp their shipments. This improved configuration reduces the time necessary for dock shipments and improves delivery, quality and reliability by decreasing the number of times a plate is handled. Outokumpu's investments in the New Castle plant allow for substantially increased material flow from production, providing best-in-class manufacturing and service capabilities to meet the continued demand for Outokumpu's special grades and special products in plate mill plate.

Metal Matters

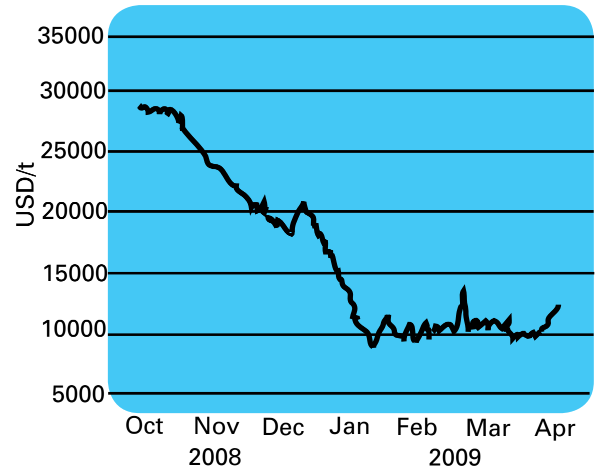
Scrap Prices

Source: Metal Bulletin 4/15/09



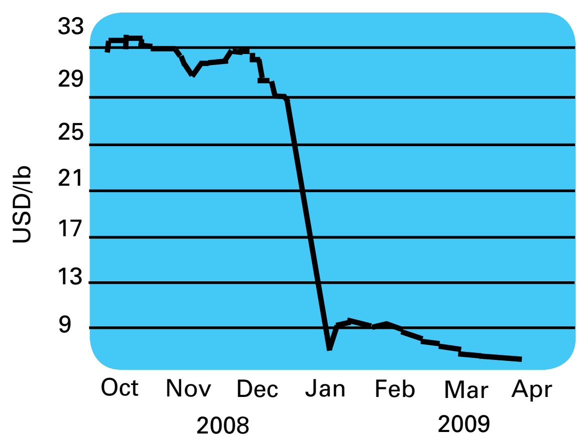
Nickel Prices- Cash Buyer

Source: LME 4/16/09



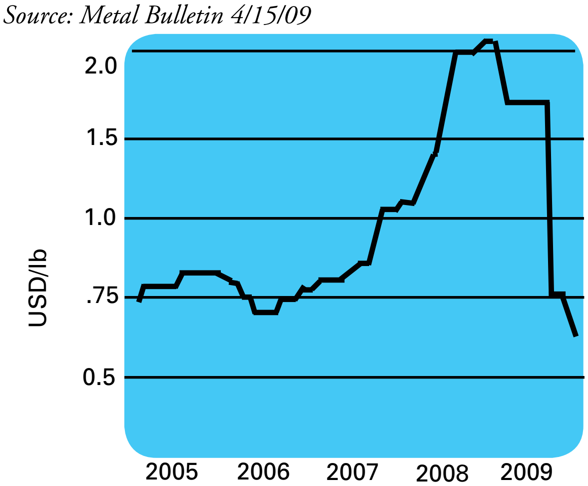
Molybdenum Prices

Source: Metal Bulletin 4/16/09



Ferrochrome Prices

Source: Metal Bulletin 4/15/09



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U.S. Exports of Steel Mill Products*

Source: The U.S. Commerce Department 4/13/09

Country	Month		
	December	January	February
World	649,308	617,911	546,983
Canada	302,059	299,980	272,833
Mexico	157,259	152,966	134,375
Brazil	21,417	8,161	7,675
India	8,635	6,134	9,966
China	21,253	9,874	13,798
Germany	3,736	4,573	4,573
Italy	4,108	2,898	6,596
Venezuela	14,476	11,891	8,377
United Kingdom	4,284	6,992	6,851

** Numbers in metric tons*

Gross Domestic Product

Source: The Bureau of Economic Analysis 3/26/09

Real gross domestic product — the output of goods and services produced by labor and property located in the United States — decreased at an annual rate of 6.3 percent in the fourth quarter of 2008, (that is, from the third quarter to the fourth quarter), according to final estimates released by the Bureau of Economic Analysis. In the third quarter, real GDP decreased 0.5 percent. The decrease in real GDP in the fourth quarter primarily reflected negative contributions fromexports, personal consumption expenditures, equipment and software, and residential fixed investment that were partly offset by a positive contribution from federal government spending. Imports, which are a subtraction in the calculation of GDP, decreased.

Global Economic Matters

Exchange Rates

Source: Yahoo Finance 4/16/09

Crossrates

	USD	EUR	JPY	GBP	CAD	SEK	CNY
USD	1	0.7561	99.3200	0.6667	1.2045	8.2524	6.837
EUR	1.3226	1	131.3583	0.8818	1.5930	10.9144	9.0425
JPY	0.0101	0.0076	1	0.0067	0.0121	0.0831	0.0689
GBP	1.4999	1.1341	148.9726	1	1.8067	12.378	10.255
CAD	0.8302	0.6277	82.4575	0.5535	1	6.8502	5.6753
SEK	0.1212	0.0916	12.0317	0.0808	0.146	1	0.8285
CNY	0.1463	0.1106	14.5225	0.0975	0.1762	1.207	1

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

Industrial Production and Capacity Utilization

Source: The Federal Reserve 4/15/09

Industrial Production	Feb	March
Total Index	99.7	97.4
Major Market Groups		
Final Products	103.3	101.3
Consumer Goods	98.7	97.4
Business Equipment	115.6	112.0
Nonindustrial Supplies	93.4	90.6
Construction	83.7	81.6
Materials	98.7	96.1
Manufacturing	98.3	95.8

U.S. Economic Matters

Latest Statistics

Source: The Department of Labor 4/14/09

Consumer Price Index	+0.4%	Feb 2009
Unemployment Rate	8.8%	Mar 2009
Producer Price Index	+0.1 (p)%	Feb 2008
Productivity	-0.4%	4th Qtr 2008

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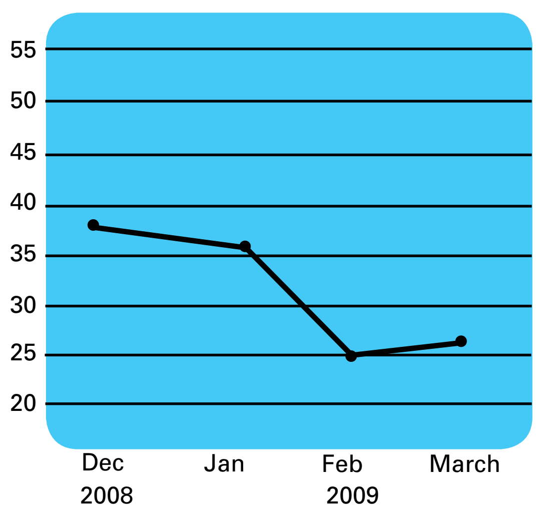
Manufacturing

Source: The Institute for Supply Management 4/1/09

Index	Series Index Mar	Series Index Feb	Direction	Rate of Change	Trend (mos)
PMI	36.3	35.8	Contracting	Slower	14
New Orders	41.2	33.1	Contracting	Slower	16
Production	36.4	36.3	Contracting	Slower	7
Employ- ment	28.1	26.1	Contracting	Slower	8
Supplier Deliveries	43.6	46.7	Faster	Faster	6
Inventories	32.2	37.0	Contracting	Faster	35
Customers' Inventories	54.0	51.0	Too High	Faster	8
Prices	31.0	29.0	Decreasing	Slower	6
Backlog of Orders	35.5	31.0	Contracting	Slower	11
Exports	39.0	37.5	Contracting	Slower	6
Imports	33.0	32.0	Contracting	Slower	14
Overall Economy			Contracting	Slower	6
Manufacturing Sector			Contracting	Slower	14

Consumer Confidence Index

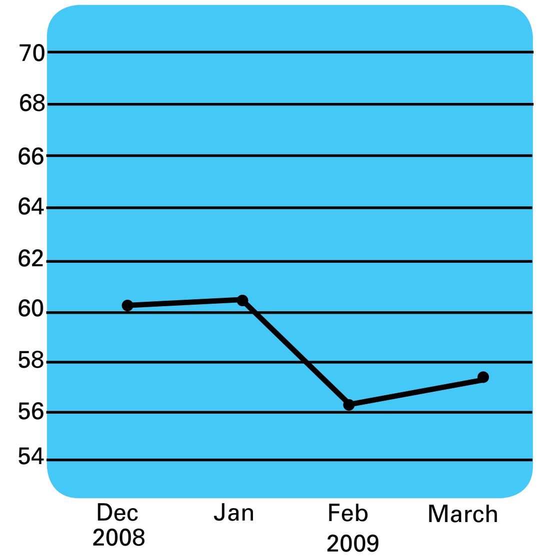
Source: The Conference Board 3/31/09



The Conference Board **Consumer Confidence Index**, which had declined sharply in February, was flat in March. The Index now stands at 26.0 (1985=100), up from 25.3 in February. The Present Situation Index declined to 21.5 from 22.3 last month. The Expectations Index increased to 28.9 from 27.3 in February.

Index of Consumer Sentiment

Source: The University of Michigan 4/09



Consumer confidence remained largely unchanged in March near the same record low levels recorded since last October. "The good news is that the free fall in confidence has ended. The bad news is that consumers expect their financial situation to remain dismal for the rest of 2009," according Richard Curtin, the Director of the Reuters/University of Michigan Surveys of Consumers. Consumers reported the largest two-month gain in confidence in the government's economic policies, although consumers were still slightly more likely to rate economic policies unfavorable than favorably. Importantly, the stimulus package was expected by consumers to be more effective in aiding the general than in improving their own financial situation. Overall, consumers remained intent on increasing their savings and reserve funds even at the cost of not taking advantage of the deeply discounted prices that are now available. The **Index of Consumer Sentiment** was 57.3 in the March 2009 survey, just above the 56.3 in February and well below last March's 69.5 and the cyclical peak of 96.9 in January 2007. The Sentiment Index has averaged 58.0 in the past six months, which represents a record decline of 40% from its cyclical peak. The Index of Consumer Expectations, a closely watched component of the Index of Leading Economic Indicators, was 53.3 in March, up from 50.5 in February and nearly equal to last March's 53.3, but substantially below the peak of 87.6 in January 2007.

Manufacturers’ Shipments, Inventories and Orders

Source: The US Census Bureau 4/2/09

New orders for manufactured durable goods in February, up following six consecutive monthly decreases, increased $5.6 billion or 3.5 percent to $164.7 billion, revised from the previously published 3.4 percent increase. This followed a 7.8 percent January decrease.

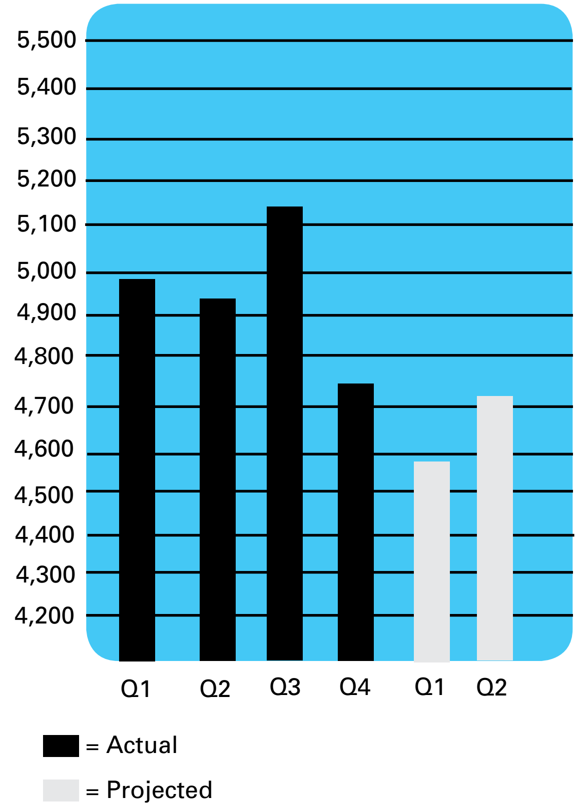
Shipments of manufactured durable goods in February, down seven consecutive months, decreased $0.9 billion or 0.5 percent to $178.5 billion, unchanged from the previously published decrease. This also was the longest streak of consecutive monthly decreases since the series was first published on a NAICS basis in 1992 and followed a 5.5 percent January decrease.

Unfilled orders for manufactured durable goods in February, down five consecutive months, decreased $10.7 billion or 1.4 percent to $773.2 billion, revised from the previously published 1.3 percent decrease. This followed a 2.0 percent January decrease.

Inventories of manufactured durable goods in February, down two consecutive months, decreased $3.6 billion or 1.1 percent to $336.1 billion, revised from the previously published 0.9 percent decrease. This followed a 1.1 percent January decrease.

Housing Sales

Source: The National Association of Realtors 4/09



**Numbers in thousands*

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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.

What makes Outokumpu special is total customer focus – all the way, from R&D to delivery. You have the idea. We offer world-class stainless steel, technical know-how and support. We activate your ideas at **www.outokumpu.com/stainless/na**.

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