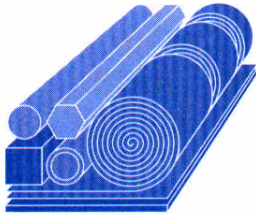


NEWS



SPECIALTY STEEL INDUSTRY OF NORTH AMERICA

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FOR IMMEDIATE RELEASE

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Year-End Market Data Released by the Specialty Steel Industry of North America

(Washington, DC) (March 16, 2004)—Year-end data covering specialty steel imports, U.S. consumption and market penetration for 2003 were released today by the Specialty Steel Industry of North America (SSINA). (Unless otherwise noted, all comparisons are 2003 versus 2002.)

For the third consecutive year, U.S. specialty steel producers lost 26% domestic market share to imports. Total specialty steel consumption declined by 48,376 tons, or 2%, to 2,586,937 tons year on year. Imports decreased by 17,674 tons, or 3%, to 663,906 tons during the same period. (Total specialty steel comprises stainless steel, alloy tool steel and electrical steel.)

Stainless steel imports controlled 23% U.S. market share in 2003, down two percentage points from 2002. U.S. consumption decreased by 30,770 tons, or 1%, in 2003 to 2,127,194 tons. During the same period, imports decreased by 37,955 tons, or 7%, to 495,724 tons. (Stainless steel is the industry's largest product category, comprising stainless steel sheet/strip, stainless steel plate, stainless steel bar, stainless steel rod and stainless steel wire.)

Twelve month import penetration for stainless steel sheet/strip went up one percentage point to 20%. U.S. consumption decreased 1% to 1,571,120 tons in 2003, while the volume of imports increased 3% to 306,494 tons. (Sheet/strip is the largest stainless steel product line.)

Import penetration for stainless steel plate declined six percentage points to a three-year low of 18%. This decrease was due to the substantial 13% upturn in consumption year on year, combined with a parallel 13% drop in imports. Specifically, consumption increased by 32,241 to 283,334 tons year on year, while imports dropped by 8,008 to 51,994 tons.

Stainless steel rod imports captured more than half of the U.S. market, even with a significant nine percentage point decrease in import penetration. The import penetration drop was a result of the dramatic decrease in both imports and domestic consumption. Imports declined 39% to 35,168 from 58,078 tons; and demand went from 86,898 to 63,217 tons, a 30% decrease.

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U.S. stainless steel bar producers lost 37% of the domestic market to imports last year, an improvement from 2002 when import penetration was 42%. Year on year, consumption decreased 16,046 tons, or 8%. Imports decreased 16,975 tons, or 20%, over the same time period.

Stainless steel wire imports increased 1,314 tons, or 4%, to 34,167 tons in 2003. Imports of alloy tool steel and electrical steel both increased substantially—14%—year on year. The increased electrical steel imports coupled with a 9% drop in domestic consumption translated into a four percentage point increase to 21% in market penetration.

(See attached table for additional imports, consumption and market penetration data for these and other product lines covering 2003, 2002 and 2001.)

SSINA is a Washington, DC-based trade association representing virtually all continental specialty steel producers. Specialty steels are high technology, high value stainless and other specialty alloy products.

David A. Hartquist, an international trade attorney with the Washington, DC law firm Collier Shannon Scott PLLC, serves as lead counsel to SSINA.

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**U.S. Imports, Consumption and Market Penetration Data 1/
For Specialty Steel Product Lines
2003/2002/2001**

Specialty Steel Product Lines	Imports			U.S. Consumption			Twelve Month Import Penetration	
	Month Dec. 2003	YTD Dec. 2003	Increase/Decrease YTD 2003-02	Month Dec. 2003	YTD Dec. 2003	Increase/Decrease YTD 2003-02	YTD Dec. 2003	YTD Dec. 2002
Stainless Sheet/Strip	26,712	306,494	3%	126,876	1,571,120	-1%	20%	19%
Stainless Plate	4,885	51,994	-13%	22,497	283,334	13%	18%	24%
Stainless Bar	4,608	67,901	-20%	15,816	184,529	-8%	37%	42%
Stainless Rod	2,057	35,168	-39%	3,572	63,217	-30%	56%	65%
Stainless Wire 2/	3,113	34,167	4%	NC	NC	NC	NC	NC
Total Stainless Steel (Sheet, Strip, Plate, Bar, Rod & Wire)	41,375	495,724	-7%	171,259	2,127,194	-1%	23%	25%
Alloy Tool Steel 2/	8,710	87,690	14%	NC	NC	NC	NC	NC
Electrical Steel	2,923	80,492	14%	24,497	387,994	-9%	21%	17%
Total Specialty	53,007	663,906	-3%	203,745	2,586,937	-2%	26%	26%

2002 and 2001 statistical data in tons follow:

Specialty Steel Product Lines	Imports		U.S. Consumption		Twelve Month Import Penetration	
	2002	Increase/Decrease 2002 vs. 2001	2002	Increase/Decrease 02 vs. 01	2002	2001
Stainless Sheet/Strip	298,538	12%	1,594,657	3%	19%	17%
Stainless Plate	60,002	30%	251,093	9%	24%	20%
Stainless Bar	84,350	-17%	200,747	-10%	42%	46%
Stainless Rod	58,078	-7%	89,898	13%	65%	78%
Stainless Wire	32,711	7%	NC	NC	NC	NC
Total Stainless Steel (Sheet, Strip, Plate, Bar, Rod & Wire)	533,679	5%	2,157,964	2%	25%	24%
Alloy Tool Steel	77,006	6%	NC	NC	NC	NC
Electrical Steel	70,895	-35%	424,856	-12%	17%	23%
Total Specialty	681,580	-1%	2,635,313	0%	26%	26%

NOTE: Changes in import penetration are percentage point changes.

1/ Imports adjusted to exclude hot bands imported for re-rolling and reported under shipments.

2/ Shipments of Stainless Wire and Alloy Tool Steel unavailable, hence consumption and import penetration not calculable.

NC = Not calculable.

Prepared by Georgetown Economic Services for the Specialty Steel Industry of North America

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