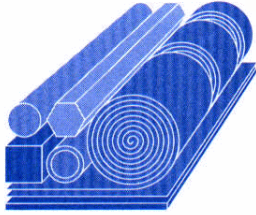


NEWS



SPECIALTY STEEL INDUSTRY OF NORTH AMERICA

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Specialty Steel Consumption Continues Upward Trend

(Washington, D.C.) (June 15, 2004) – Specialty steel consumption in the U.S. has reversed a downward spiral and started sustaining an upward trend, according to first quarter data released today by the Specialty Steel Industry of North America (SSINA).

Specialty steel consumption increased 6% to 686,149 tons in YTD March 2004. (All comparisons are with the corresponding period in the previous year, unless otherwise noted.) Although imports during the three-month period decreased 1% to 169,171 tons, they still captured a significant 25% of the U.S. specialty steel market. Specialty steel comprises stainless steel, alloy tool steel and electrical steel.

Consumption of stainless steel, the industry's largest product category, increased 8% to 575,486 tons year-on-year. Stainless steel imports increased 3% to 133,165 tons, grabbing 23% U.S. market share in the first quarter.

Stainless steel sheet/strip consumption and imports both climbed. Demand for the industry's largest product line increased 9% to 430,967 tons. A concurrent 4% increase in imports to 82,765 tons resulted in 19% import penetration in YTD March 2004.

U.S. consumption of stainless steel plate shot up 15% to 71,982 tons. Imports skyrocketed 25% to 15,357 tons and captured 21% market share, a one percentage point increase over YTD March 2003.

Year-on year, stainless steel bar imports and import penetration declined. Imports dropped 9% to 16,432 tons. First quarter import penetration went to 35% in 2004 versus 38% in 2003. Consumption—flat at 46,900 tons—reflected no percentage change.

Stainless steel rod consumption, imports and import penetration dropped significantly. Consumption decreased 10% to 18,349 tons year-on-year; and imports declined 22% to 8,731 tons. Import penetration remained high at 48%, even with a seven percentage point decrease.

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First quarter data for stainless steel wire reflect a 16% jump in imports to 9,879 tons year-on-year. Consumption and import penetration statistics are not available.

Electrical steel consumption, imports and import penetration declined. U.S. consumption decreased 4% to 96,593 tons and imports dropped 15% to 17,112. tons. Three month import penetration decreased two percentage points to 18%. Alloy tool steel imports decreased 9% to 18,894 tons. (See attached chart for additional statistical data covering YTD March 2004/2003/2002 for all specialty steel products.)

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
2004/2003/2002**

Specialty Steel Product Lines	Imports			U.S. Consumption			Three Month Import Penetration	
	Month Mar. 2004	YTD Mar. 2004	Increase/ Decrease YTD 2004-03	Month Mar. 2004	YTD Mar. 2004	Increase/ Decrease YTD 2004-03	YTD Mar. 2004	YTD Mar. 2003
Stainless Sheet/Strip	27,779	82,765	4%	151,218	430,967	9%	19%	20%
Stainless Plate	6,416	15,357	25%	25,472	71,982	15%	21%	20%
Stainless Bar	7,210	16,432	-9%	18,599	46,900	0%	35%	38%
Stainless Rod	3,500	8,731	-22%	7,093	18,349	-10%	48%	55%
Stainless Wire 2/	3,698	9,879	16%	NC	NC	NC	NC	NC
Total Stainless Steel (Sheet, Strip, Plate, Bar, Rod & Wire)	48,603	133,165	3%	205,137	575,486	8%	23%	24%
Alloy Tool Steel 2/	7,345	18,894	-9%	NC	NC	NC	NC	NC
Electrical Steel	6,763	17,112	-15%	36,943	96,593	-4%	18%	20%
Total Specialty	62,711	169,171	-1%	247,576	686,149	6%	25%	26%

2003 and 2002 statistical data in tons follow:

Specialty Steel Product Lines	Imports		U.S. Consumption		Twelve Month Import Penetration	
	2003	Increase/ Decrease 2003 vs. 2002	2003	Increase/ Decrease 03 vs. 02	2003	2002
Stainless Sheet/Strip	306,494	3%	1,571,120	-1%	20%	19%
Stainless Plate	51,994	-13%	283,334	13%	18%	24%
Stainless Bar	67,901	-20%	184,529	-8%	37%	42%
Stainless Rod	35,168	-39%	63,217	-30%	56%	65%
Stainless Wire	34,167	4%	NC	NC	NC	NC
Total Stainless Steel (Sheet, Strip, Plate, Bar, Rod & Wire)	495,724	-7%	2,127,194	-1%	23%	25%
Alloy Tool Steel	87,690	14%	NC	NC	NC	NC
Electrical Steel	80,492	14%	387,994	-9%	21%	17%
Total Specialty	663,906	-3%	2,586,937	-2%	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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