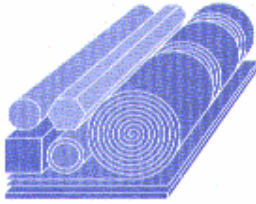


NEWS



SPECIALTY STEEL INDUSTRY OF NORTH AMERICA

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Washington, D.C. 20007

EMBARGOED UNTIL TUESDAY, APRIL 10, 2007 (10:00 AM)

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NEW STUDY DETAILS TRADE ADVANTAGES CONFERRED ON CHINA'S STAINLESS STEEL PRODUCERS

(Washington, D.C.) (April 9, 2007) -- The government of China has a policy of conferring preferred status on the stainless steel industry, and providing it with a wide range of preferential treatment programs and direct subsidies, according to a new study issued by the Specialty Steel Industry of North America (SSINA).

The study, entitled *Chinese Government Subsidies to the Stainless Steel Industry*, describes China's Steel and Iron Industry Development Policy, which mandates direct government subsidization of the Chinese steel and stainless steel industries. Quoting directly from the policy, the study details Chinese government support in the form of "tax refunds, discounted interest rates, funds for research and other policy support for major iron and steel projects utilizing newly developed domestic equipment." The policy also calls for indirect support by, among other things, restricting foreign investment, discriminating against foreign equipment and technology, and by providing various export credits. In short, according to the SSINA study, China's Steel Policy is a primary example of the government's attempt to manipulate the steel market and dictate industry outcomes by involving itself in decisions that should be made by the market.

The study was released in conjunction with the annual American Metal Market Conference in Pittsburgh where SSINA counsel, David A. Hartquist, gave a speech entitled *The U.S. Specialty Steel Industry: Today and Tomorrow*. In his remarks, Hartquist stated that, even though global stainless steel capacity exceeds demand, new facilities are being added around the world. He noted that this new capacity is being funded through massive government subsidization, particularly in China.

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“The U.S. stainless steel industry is modern, efficient and competitive,” said Hartquist. He explained that the market during the last few years has been strong and most companies have had good financial performances. “SSINA members recognize, however, the importance of being able to address Chinese subsidies in the future should the need arise,” Hartquist continued. “We are pleased that the Department of Commerce has announced its willingness to pursue countervailing duty cases against non-market economies like China. This is consistent with U.S. law and WTO rules.”

Both the speech and the *Chinese Government Subsidies to the Stainless Steel Industry* study can be found on the industry Web site: www.ssina.com.

David A. Hartquist is a senior partner and heads the international trade section of the Washington, D.C. law firm Kelley Drye Collier Shannon.

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

SSINA member companies are: AK Steel Corporation, Middletown, OH; ATI Allegheny Ludlum Corporation, Pittsburgh, PA and ATI Allvac, Monroe, NC (both Allegheny Technologies companies); Carpenter Technology Corporation, Reading, PA; Crucible Specialty Metals, Syracuse, NY; Electralloy, Oil City, PA; Haynes International Inc., Kokomo, IN; ThyssenKrupp Mexinox SA de CV, San Luis Potosí, S.L.P., Mexico; North American Stainless, Ghent, KY; Outokumpu Stainless, Inc., Schaumburg, IL; Precision Rolled Products, Inc., Florham Park, NJ; Special Metals Corporation, Huntington, WV; Timken Latrobe Steel, Latrobe, PA; Universal Stainless and Alloy Products, Bridgeville, PA; and Valbruna Slater Stainless Inc., Fort Wayne, IN.

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