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SUPPLEMENT TO

EUROPEAN STEEL REVIEW

JUNE 2009

TABLE 1. FLAT ROLLED PRODUCTS - NEGOTIATED BASIS PRICES

price/tonne		Denmark (DKR)	Denmark (€)	Sweden (SKR)	Sweden (€)	Finland (€)	Netherlands (€)	Austria (€)	Norway (NKR)	Norway (€)
Hot Rolled Coil	High:	2795	375	3985	369	440	360	390	3195	359
	Low:	2420	325	3600	333	340	335	330	2920	328
Hot Rolled Plates	High:	3265	438	5105	472	505	465	550	4280	481
	Low:	3015	405	4840	448	460	445	450	4000	449
Cold Rolled Coil	High:	3430	461	5030	465	460	465	480	4035	453
	Low:	3130	420	4550	421	430	425	430	3720	418
Hot Dipped	High:	3800	510	5050	467	470	465	445	4135	464
Galvanised Coil	Low:	3350	450	4750	439	430	425	430	3900	438
Electro-Zinc	High:	3525	473	4960	459	460	450	445	4010	450
Coated Coil	Low:	3275	440	4650	430	430	425	430	3810	428
Stainless Cold (a)	High:	8405	1128	11000	1018	1150	1050	1150	10250	1151
Rolled Type 304	Low:	7455	1001	10600	981	1100	1000	1100	9800	1100
Stainless Cold (a)	High:	——	——	——	——	——	——	——	——	——
Rolled Type 430	Low:	——	——	——	——	——	——	——	——	——

MONTH on MONTH % CHANGE

		Denmark (DKR)	Denmark (€)	Sweden (SKR)	Sweden (€)	Finland (€)	Netherlands (€)	Austria (€)	Norway (NKR)	Norway (€)
Hot Rolled Coil	Low:	0.0	0.0	4.3	1.2	0.0	3.1	0.0	3.4	0.0
Hot Rolled Plates	Low:	0.0	0.0	0.0	-3.0	0.0	0.0	0.0	3.4	0.0
Cold Rolled Coil	Low:	0.0	0.0	3.4	0.2	0.0	0.0	0.0	3.3	0.0
H.D. Galv Coil	Low:	0.0	0.0	3.3	0.0	0.0	0.0	0.0	3.3	0.0
E.Z. Coated Coil	Low:	0.0	0.0	3.3	0.2	0.0	0.0	0.0	3.3	0.0
S/S CR Type 304	Low:	5.3	5.4	1.1	-1.9	4.8	11.1	10.0	14.4	10.7
S/S CR Type 430	Low:	——	——	——	——	——	——	——	——	——

2009 ANNUAL SUBSCRIPTION RATE: UK - £630, NON UK - £645

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FLAT ROLLED PRODUCTS

HOT ROLLED COIL

Demand is stable at a low level in Denmark and some participants are starting to replenish their stocks. The producers' delivery leadtimes are getting longer and this will be exacerbated by the summer shutdowns. In Sweden, most mills are still operating at around 50 percent of capacity and there are no signs of a change in the short term. As a result, orders are being delayed and delivery performance is poor. Despatch dates are stretching out to August in Finland. This is due to production cuts and summer holidays, not increased consumption. Producers in the Netherlands are looking for higher prices but this move is not supported by demand. End users' order books for the third quarter are thin. Activity levels remain low in Austria. Customers are ordering small tonnages and asking for immediate delivery. No increase in real demand has been detected in Norway.

HOT ROLLED PLATE

In Denmark, suppliers are looking for higher prices. Customers are not yet ready to pay more, as many of them are still trying to control inventories. Heavy plate is the only product that may not yet have reached its bottom price is Sweden. Current selling values in Finland are likely to be carried over until September, due to the holidays in the Nordic region in July and in the rest of Europe in August. Demand remains weak in the Netherlands. We have no reports of altered prices in June. Stock levels have been reduced in Austria and selling figures seem to have bottomed out. There has been a slight upturn in orders from yellow goods manufacturers and energy related projects. Selling values are still under negative pressure in Norway but are unchanged this month.

TABLE 2.
COMPARISON OF LOW MARKET BASIS PRICES
COLD ROLLED COIL

	Local Currency		US$/Tonne	
	last month	this month	last month	this month
Denmark	3130	3130	562	592
Sweden	4400	4550	561	593
Finland	430	430	575	606
Netherlands	425	425	568	599
Austria	430	430	575	606
Norway	3600	3720	558	589

Note: Exchange rates used for conversion are based on the figures given in our currency exchange rate table.

COLD ROLLED COIL

There are plenty of enquiries in Denmark but no increase in underlying demand. Prices appear to have reached the low point for the current cycle. In Sweden there is a more optimistic outlook, coupled with a small improvement in activity. There is a wide variation in contract figures, dependent on precisely when negotiations took place. Selling values are higher in the local currency this month, although exchange rate fluctuations mean there is little change in Euros. The mills are unlikely to decrease their selling numbers any further in Finland. Producers are seeking improved prices in the Netherlands but there is no corresponding rise in demand. There are attractive import offers from Brazil but none from Asia, where consumption has improved. Customers' inventories are low in Austria and some are ordering replacement material. The mills are operating at around 50 percent of capacity and this is unlikely to alter in the near term. Due to exchange rate movements in Norway, stable figures in Euros mean increased NKr values for June.

COATED SHEET/COIL

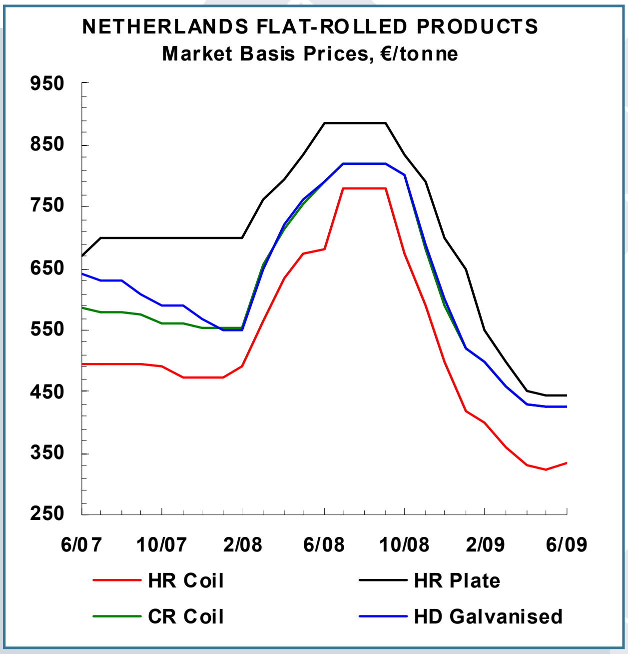
There is a mixed picture in Denmark. While prices are still under downward pressure generally, holes in inventories are having the opposite effect on some items. There has been a small increase in demand in Sweden - even from bus and car makers - although this has yet to affect selling values. The quiet summer period is likely to mean that September will be the first opportunity to alter prices in Finland. Inventories are low in the Netherlands but there is still some material available at bargain figures. There are reports that the mills' order books are becoming more full. In Austria, we have received no evidence of changed values for third quarter deliveries. In Norway, there has been a small advance in local currency prices.

STAINLESS STEEL

In May, the basis price for type 304 1.5mm 2B cold rolled coil in Denmark increased by DKr375 per tonne.

The basis figure in Sweden grew by SKr120 per tonne, although this was offset by exchange rate movements. Selling numbers, net of alloy extras, climbed by €100 per tonne in the Netherlands.

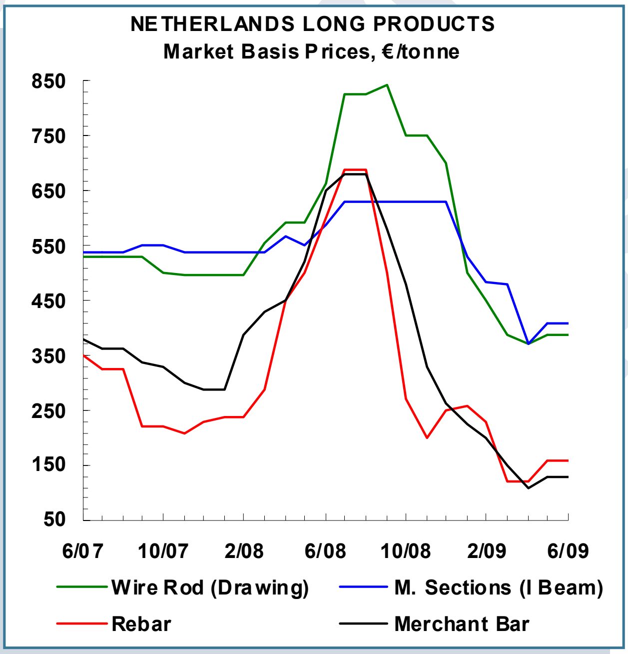
In Finland, very low inventories and ongoing production cuts are causing problems with deliveries and enabling the mills to raise basis prices for June. Output is unlikely to be increased before September, at the earliest. The outlook in Austria is becoming more optimistic. Basis figures and alloy surcharges are both climbing and delivery dates are out to September. There are even signs of improving consumption from the automotive sector. Destocking has largely been achieved but distributors are still wary of speculative buying. Leadtimes are out as far as October for deliveries in Norway. Suppliers are achieving price hikes and will push for more. Demand is slightly better and this trend will persist if nickel and oil prices continue to rise.



LONG PRODUCTS

WIRE ROD

We have no reports of changes to selling values in Denmark or Sweden. Figures in Finland edged upwards amidst signs of a pick-up in demand, although the recovery is certainly not underway just yet. Stock levels are very low and reduced output is limiting the availability of material, especially in higher specifications. There were no definite indications of prices moving in either direction in the Netherlands, Austria or Norway.



MEDIUM SECTIONS AND BEAMS

The ArcelorMittal scrap surcharge for June was increased by €19 to €87 per tonne. Effective prices in Denmark increased by approximately the same amount as the scrap surcharge. Selling values in Sweden rose by around SKr100 per tonne, net of the surcharge. Basis figures were unchanged in Finland. Participants in the Netherlands reported a chaotic market situation, with prices moving in both directions in recent weeks. Activity is expected to slow down as the number of projects drops off after the summer. Selling values have fallen in Austria due to the influence of markets in Italy and Spain. Ongoing production restraints and summer shutdowns will continue to limit availability. Transaction prices in Norway were affected only by the increase in the scrap surcharge.

REINFORCING BARS

Danish prices rose by DKr225 per tonne earlier in the month but were expected to fall back as scrap demand diminished. Building projects are likely to tail off after the summer break. Consumption in Sweden is at a low level and still decreasing. There were some advances in ex-mill values at the beginning of the month but distributors were unable to pass these on to end-users. The higher selling figures reported in Finland early in our research period were driven by the cost of scrap at the time. The outlook in the Netherlands is bleak, with severe job losses in construction forecast over the next two years. In

Austria, higher prices in the north were offset by the weaker market in the south. Demand has increased in Norway due to the seasonal growth in building activity, although not to the levels seen in previous years. The government's stimulus measures may have more effect in the second half of 2009.

MERCHANT BARS

There was a moderate advance in selling values in Denmark, supported by scrap costs. This is, however, likely to be reversed. Swedish prices were slightly higher in the local currency due to exchange rate movements. The market is thought to be close to the bottom but hard times are predicted to continue for the next six to nine months. Input costs pushed Finnish selling numbers up slightly in late May and early June. Values in the Netherlands moved in both directions during the month. Demand is likely to drop off after the summer. The mills will attempt to mirror this with further production cuts. Prices were driven down in Austria by competition between suppliers in Italy and Spain. In Norway, as elsewhere in Scandinavia, selling figures were initially buoyed by raw material costs but were expected to fall back later.

CURRENCY EXCHANGE RATES
June 4 - 2009

		Units/ US$	Units/ Euro
Denmark	**(DKr)**	5.284	7.448
Sweden	**(SKr)**	7.670	10.81
Norway	**(NKr)**	6.318	8.906
Eurozone	**(€)**	0.709	1.0

TABLE 3. LONG PRODUCTS - NEGOTIATED BASIS PRICES

price/tonne		Denmark		Sweden		Finland	Netherlands	Austria	Norway	
		(DKR)	(€)	(SKR)	(€)	(€)	(€)	(€)	(NKR)	(€)
Wire Rod (b)	High:	3145	422	4485	415	465	410	400	3800	427
	Low:	2905	390	4110	380	440	390	380	3650	410
Medium Sections	High:	3125	420	4995	462	475	440	415	4585	515
and Beams (c)	Low:	2875	386	4625	428	445	410	370	4185	470
Rebar (d)	High:	3180	427	3770	349	370	180	160	4600	517
	Low:	2980	400	3425	317	350	160	140	4300	483
Merchant Bar (e)	High:	1845	248	2020	187	215	180	155	2135	240
	Low:	1420	191	1915	177	200	130	135	1760	198
MONTH on MONTH % CHANGE										
Wire Rod	Low:	0.0	0.0	3.3	0.0	2.3	0.0	0.0	3.3	0.0
M. Sect. & Beams	Low:	0.0	0.0	2.2	-0.9	0.0	0.0	-0.8	3.3	0.0
Rebar	Low:	8.2	8.1	6.2	2.9	7.7	0.0	0.0	8.9	5.5
Merchant Bar	Low:	11.4	11.7	3.5	0.0	11.1	0.0	-6.9	14.7	11.2

BASIS PRICE AND PRODUCT DEFINITIONS

Negotiated basis price ranges pertain to new purchases for mainstream business negotiated with regional mills during the current month for delivery in the future. Prime material (ex basing point, net of all rebates) for the lowest quality product in the producers' price list, unless otherwise stated.

Extras for size, cutting, testing, transport etc. are excluded (except where specified).
Note: (a) Basis - 1.5mm thick.
(b) Drawing quality. Includes quality extra.
(c) Category C1. includes size extra. Excluding surcharges.
(d) High yield - deformed. Includes size extras in Denmark, Sweden, Finland and Norway. 16-20mm diameter, grade 500.
(e) Round Bar.

Prices in this newsletter may relate to deliveries in different time periods. It is important that the tables are read in conjunction with the text.

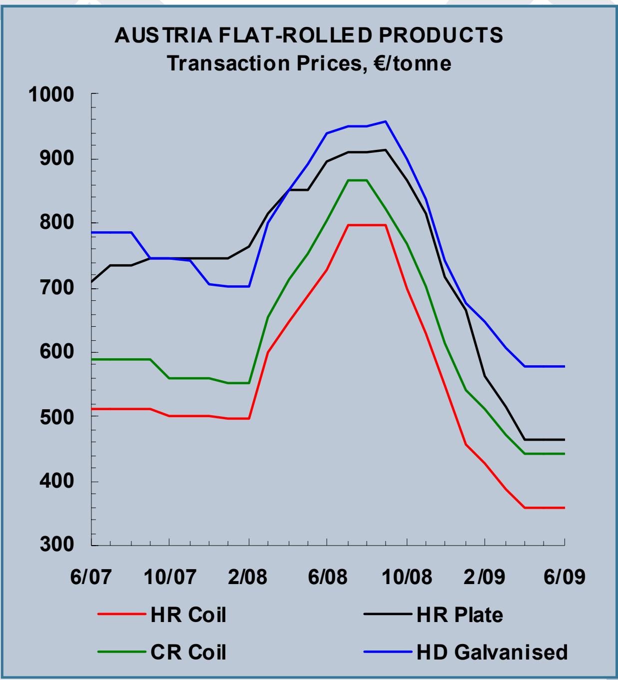
Transaction Price Data Sheet

TABLE 4. NEGOTIATED TRANSACTION PRICES

FLAT PRODUCTS price/tonne		Denmark (DKR)	Denmark (€)	Sweden (SKR)	Sweden (€)	Finland (€)	Netherlands (€)	Austria (€)	Norway (NKR)	Norway (€)
Hot Rolled Coil	High:	2945	395	4235	392	460	381	418	3405	383
	Low:	2570	345	3850	356	360	356	358	3130	352
Hot Rolled Plates	High:	3395	455	5230	484	517	481	565	4310	484
	Low:	3145	422	4965	460	472	461	465	4030	452
Cold Rolled Coil	High:	3535	475	5125	474	475	479	493	4115	462
	Low:	3235	434	4645	430	445	439	443	3800	427
Hot Dipped Galvanised Coil	High:	4890	656	5850	541	572	611	591	4815	540
	Low:	4440	596	5550	513	532	571	576	4580	514
Electro-Zinc Coated Coil	High:	3895	523	5070	469	517	498	494	4389	493
	Low:	3645	490	4760	440	487	473	479	4189	471
Stainless Cold (a) Rolled Type 304	High:	8405	1128	11000	1018	1150	1050	1150	10250	1151
	Low:	7455	1001	10600	981	1100	1000	1100	9800	1100
Stainless Cold (a) Rolled Type 430	High:	——	——	——	——	——	——	——	——	——
	Low:	——	——	——	——	——	——	——	——	——

LONG PRODUCTS price/tonne		Denmark (DKR)	Denmark (€)	Sweden (SKR)	Sweden (€)	Finland (€)	Netherlands (€)	Austria (€)	Norway (NKR)	Norway (€)
Wire Rod (Drawing quality)	High:	3145	422	4485	415	480	428	410	3860	434
	Low:	2905	390	4110	380	455	408	390	3710	417
Wire Rod (Mesh quality)	High:	——	——	——	——	——	——	——	——	——
	Low:	——	——	——	——	——	——	——	——	——
Medium Sections ✪ & Beams (I beam)	High:	3773	507	5935	549	562	527	502	5360	602
	Low:	3523	473	5565	515	532	497	457	4960	557
Medium Sections ✪ & Beams (H beam)	High:	4071	547	6367	589	602	567	542	5716	642
	Low:	3821	513	5997	555	572	537	497	5316	597
Reinforcing Bar	High:	3180	427	3770	349	370	370	350	4600	517
	Low:	2980	400	3425	317	350	350	330	4300	483
Merchant Bar (50mm diameter)	High:	3968	533	5101	472	500	465	440	4673	525
	Low:	3543	476	4996	462	485	415	420	4298	483
Merchant Bar (Equal Angle)	High:	3893	523	5209	482	490	455	450	4762	535
	Low:	3468	466	5104	472	475	405	430	4387	493

✪ *Includes scrap surcharge*



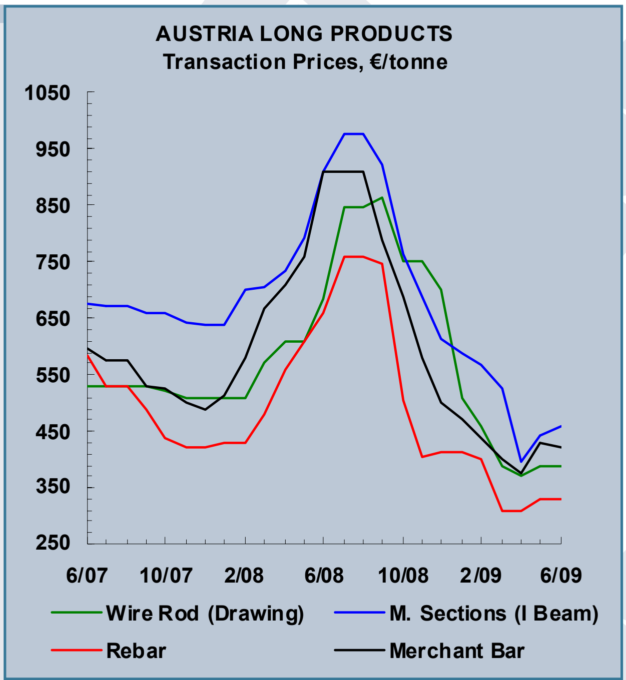


TABLE 5. NORDIC AVERAGE TRANSACTION PRICE FORECASTS

Euro/tonne	Actual	Forecast					
	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Hot Rolled Coil	353	355	355	365	375	385	395
Hot Rolled Plate	452	440	440	445	450	460	470
Cold Rolled Coil	434	435	435	440	450	460	470
H.D. Galv Coil	539	540	540	545	550	555	560
E.Z. Coated Coil	472	475	475	480	490	500	510
Wire Rod	411	410	410	415	420	425	430
M. Sect. & Beams	519	510	510	510	515	520	525
Rebars	388	380	380	380	385	395	405
Merchant Bar	477	465	465	465	470	475	475

PRICE AND PRODUCT DEFINITIONS

Wire Rod - Drawing Quality **Medium Sections and Beams** - I Beam **Merchant Bar** - Round Bar

Steel prices are computed from an arithmetic average of the low values identified in Denmark, Sweden, Finland and Norway - collected in national currencies and converted into Euros using currency exchange rates effective at the start of each month to provide a basis for comparisons.

MEDIUM TERM PRICE FORECASTS

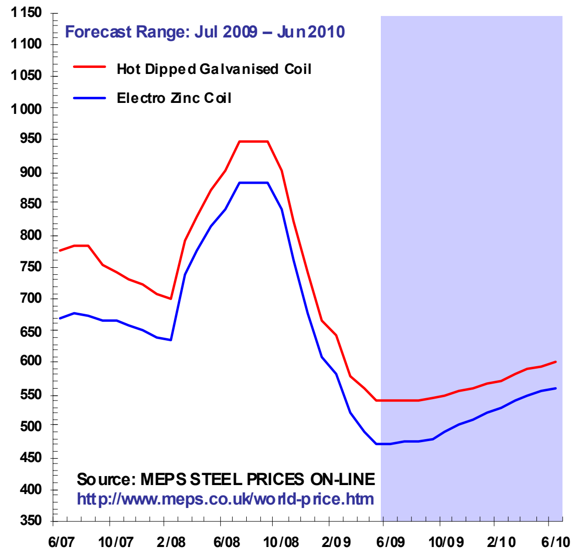
The MEPS Nordic Average Hot Dipped Galvanised and Electro Zinc Coated Coil transaction prices were relatively stable in June. Low inventories halted the downward movement. We believe that this is the bottom of the price cycle. Values for both products are expected to remain steady in the short term.

Prices are forecast to climb from September onwards. Distributors will, almost certainly, increase purchase volumes on the back of reduced stock levels and growing sales of consumer goods. European mills are also likely to continue with production restraints. This may lead to some supply shortages in the market and put upward pressure on transaction values in the fourth quarter. However, only modest rises are predicted due to weak end user demand.

More availability of credit is likely to help improve market conditions by the beginning of next year. This should lead to higher mill sales. Larger price advances are, therefore, forecast for early in 2010.

COLD ROLLED FLAT PRODUCTS FORECAST

Nordic Average Transaction Values, €/tonne



TRANSACTION PRICES - PRODUCT AND PRICE DEFINITIONS

Transactions prices are the realised values obtained by the mills for the cheapest grade of steel in the size range specified for each product. These are determined by adding the relevant size extras to the negotiated ex-mill basis price for the selected product.

Transaction values relate to those paid by consumers and stockholders for prime material. The prices are for regular business between customers and their domestic steel mills, negotiated during the current month for delivery in the future. Delivery charges and local taxes are not included in the quoted prices. Contract deals arranged in the domestic market, or deals for lots of imported steel, are specifically excluded from our price evaluation.

Nordic Average - Includes prices in Denmark, Sweden, Finland & Norway. Converted into Euros for comparison.
Hot-Rolled Wide Coil - 2-3mm thickness, width over 1.1 metres.
Hot-Rolled Plates - 15-40mm thickness, width over 2.0 metres.
Cold-Rolled Coils - 1mm thickness, width over 1.3 metres.
Hot Dipped Galvanised Coils - 1mm thickness, width over 1.1 metres, coating thickness 275 gm/m^2
Electro-Zinc Coated Coils - 1mm thickness, width over 1.1 metres, standard coating.
Stainless Type 304 and 430 - 1.5mm thickness, width over 1.25 metres. - (excluding alloy surcharges).
Wire Rod (Drawing Quality) - 5.5mm diameter.
Wire Rod (Mesh Quality) - 8-12mm diameter.
Medium Sections and Beams - Category C1. I Beam.
Medium Sections and Beams - 240mm x 240mm H Beam.
Reinforcing Bar (Deformed) - 16-20mm diameter - high yield - Grade 500 in Denmark, Sweden, Finland and Norway.
Merchant Bar - 50mm diameter.
Merchant Bar - 50 x 50mm x 6mm equal angle.

The data contained in this newsletter has been obtained from respondents who we consider provide accurate intelligence on the steel market. We make our best endeavours to be assured that the information is correct and that our analysis is reliable. MEPS (International) Ltd. cannot be made liable for any loss resulting from use of our published data, however it may arise.

The July issue of the European Steel Review Supplement will be dispatched by post & PDF on 21 July, 2009. Express Price Tables will be dispatched by e-mail in excel format on 14 July, 2009.

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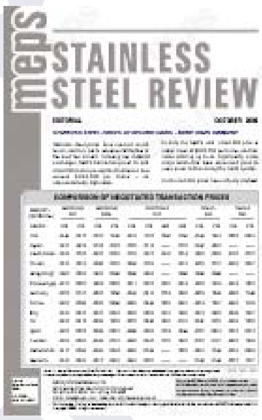
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STAINLESS
STEEL REVIEW

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