



WORLD STEEL DYNAMICS

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Dear World Steel Dynamics subscriber:

Pleased be advised that, as of January 2007, World Steel Dynamics will be **increasing the annual subscription fee** for its information service by \$1,000 to **\$10,500 per annum**. This fee includes access to our website (and most of our reports electronically) by a number of designated people at your company.

WSD feels that this price increase is justified given our **expanded product offerings and services** in recent years. For example:

- **Our “early warning system” now consists of five reports**, each with unique features. The reports are *Global Steel Alert*, *Inside Track*, *The Cyclone*, *Truth & Consequences* and *Steel Thermometer*. We are **planning a sixth report** that provides near-term forecasts for the 21 steel product and scrap steel prices that comprise our *SteelBenchmarker*TM pricing system.
- Our **Core Reports and Monitor Reports continue to provide breakthrough information**. For example, the 297-page “Chinese Steel Facts and Forecasts” report of November 22, 2006 contained much new data on regional Chinese steel demand.
- **The *SteelBenchmarker*TM has been generating benchmark prices twice per month since April 2006**. Now, there’s an important next step. World Steel Dynamics recently signed a “Letter of Intent” with the New York Mercantile Exchange (NYMEX) whereby, in early 2007, it plans to post its first *SteelBenchmarker*TM price on its Clearport_R clearing system. Overall, WSD will put out a huge effort to provide its subscribers with new ways to exploit possible steel price developments.
- **WSD’s staff continues to grow in capability and experience**. Our staff of 11, plus three of the consultants with whom we regularly work, has more than 300 years of experience in assessing the steel industry. It is always ready to respond to your questions.

In October 2006, Patrick McCormick, formerly VP Global Steel at Emerson, joined WSD as a managing partner. Pat will continue to devote much of his time at what WSD calls the “buyer-seller interface.” His insights into steel buyer and seller pricing stratagems will add depth and breadth to WSD’s knowledge and product offerings. Some steel buyers in the past have complained to WSD that we were too steel mill centric; if so, this no longer will be the case.

- **WSD will continue to place major emphasis on developments in China.** Peter Marcus regularly visits China twice per year for about two weeks per trip. WSD's capability in this sector continues to advance:
 - Liu Jinghai, prior director of China's Metallurgical Information Center and a "professor" of the Chinese steel industry, joined us in New Jersey in late 2004.
 - Dr. Xu Zongbu, our representative in China, is a famous Chinese professor and commentator on the Chinese industry. He has great knowledge about the steel mills' equipment profiles and management capabilities.
 - Mr. Zhang Chang An, who joined us in the middle of 2006 after 10 years of selling Chinese coke on the international market, is our new "grass roots investigator." His series of reports on a micro level about developments in the Chinese steel industry based on his field trips, under the heading "Zhe Zhang Zone," provide WSD's readers with a unique and far deeper understanding of what's really happening in China.
 - Shanghai SteelHome, which is considered by WSD to be China's premier website for steel industry information, each business day provides WSD with about 300 spot price quotes for four different products. Its president, Mr. Wu Wenzhang, offers expert commentary on Chinese steel industry trends.

- **WSD will further boost its analysis of the Indian steel industry.** WSD published Core Reports on the Indian steel industry in 1997, 2001 and 2005. Peter Marcus will be visiting India once again in January 2007. Our contacts and relationships with the steel mills in India are strong.

- **WSD has been broadening its affiliation with other information providers.** It has close relationships with:
 - AIST. We have a new arrangement with the Association of Iron & Steel Technology whereby WSD now represents them at the annual IISI meetings and answers it's members questions in its monthly publications. Closer involvement with this engineering group should add to WSD's appreciation of the technological revolution that continues to sweep the industry.
 - Don Barnett, President of Economic Associates Inc, is an expert extraordinaire in steelmakers' process-by-process costs.
 - Dr. Peter Kakela, Professor at Michigan State University, is a great expert on the North American iron ore industry's costs by facility.
 - Doug Yadon, the publisher of the Preston Pipe Report, is the world's most renowned steel tubular products expert.

- Metal Bulletin and American Metal Market, with whom we share the *Steel Success Strategies* conferences and the *SteelBenchmarker*TM pricing system, have great access to participants in the steel industry.

Lastly, we would like to share with you **WSD's business philosophies and procedures:**

- Never stop looking for new ways to improve the steel industry's image in the eyes of the public. For example, our list of "world class" steelmakers, initiated in 2002, is now demonstrating, year after year, that the industry is populated with many winning companies. Our "world class" steelmakers' list now accounts for about 40% of global steel industry deliveries.
- Never seek a fee when we put a steel buyer and seller together with the possibility of a transaction between them.
- Never engage in significant research on a company that is performed behind its back for confidential distribution to others.
- Don't acquire information for one basis, such as the possibility of using it for our research publications or wanting it for our general knowledge, and then make it available for other purposes unless it has already been published.
- Remain an independent steel research firm that is owned only by the people doing research at the firm.

Please join us on an exciting ride into the future.

Many thanks and best regards,



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