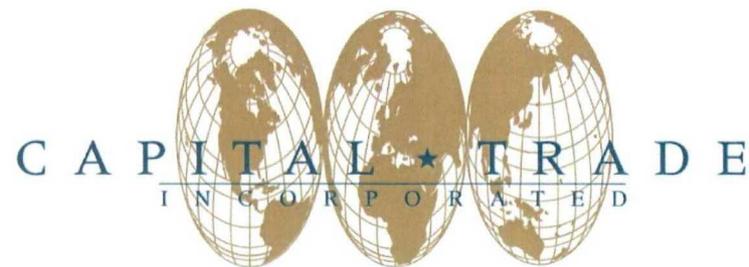


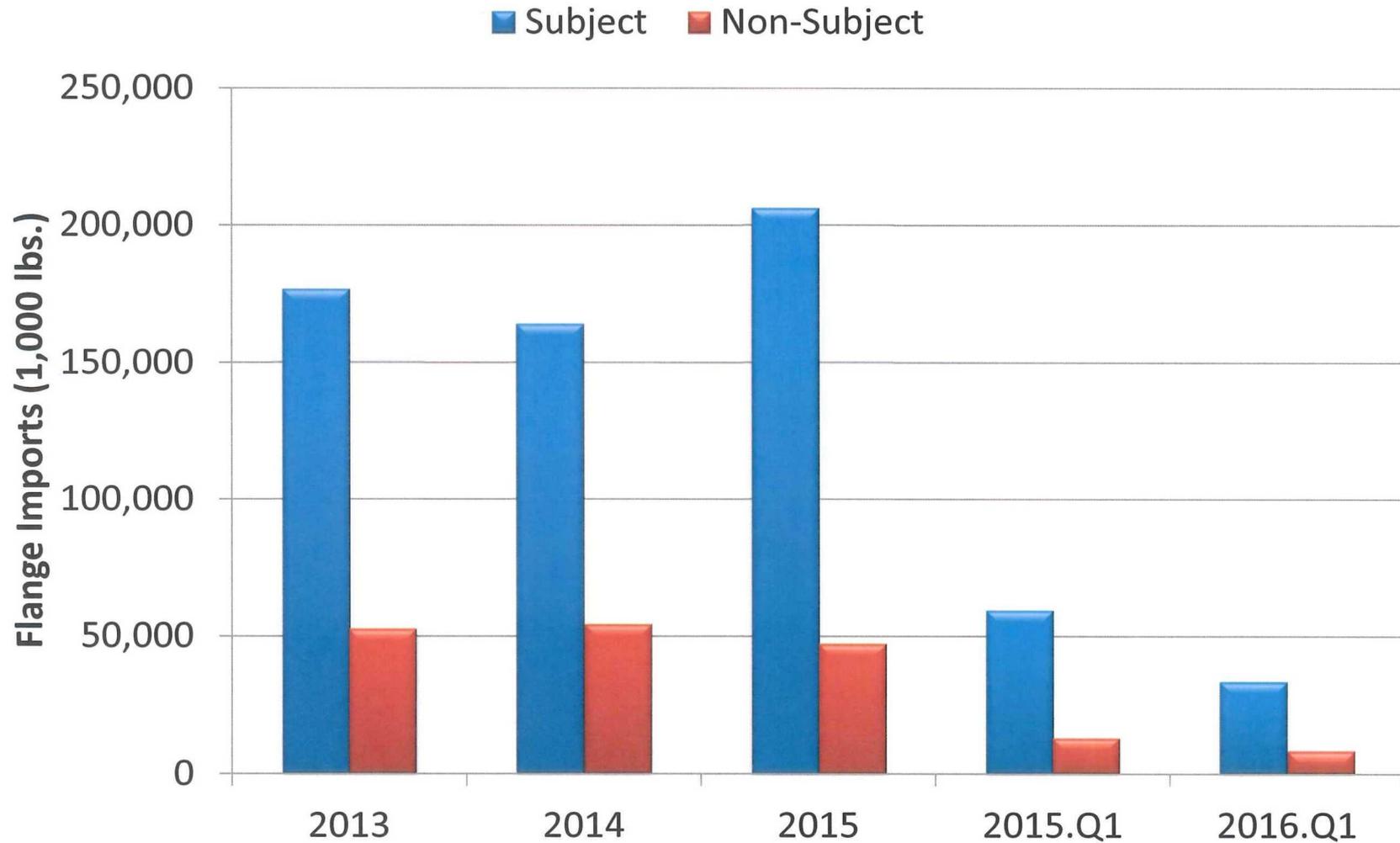
ITC Preliminary Investigation Conference: Finished Carbon Steel Flanges from India, Italy, and Spain

July 21, 2016

Daniel Klett



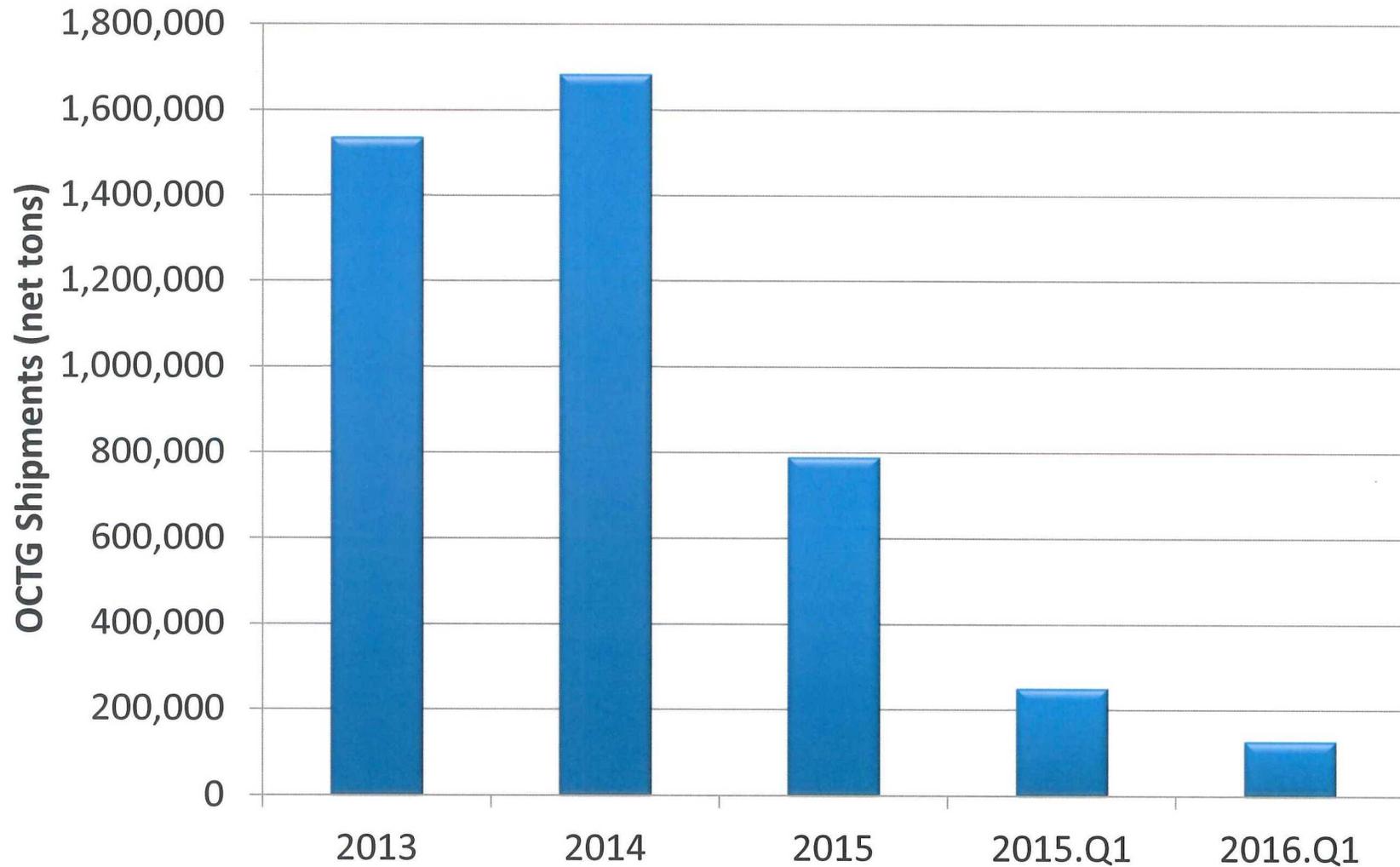
Subject import volume has increased



Source: USITC dataweb (HS# 7307.91.5010 & 7307.91.5050).

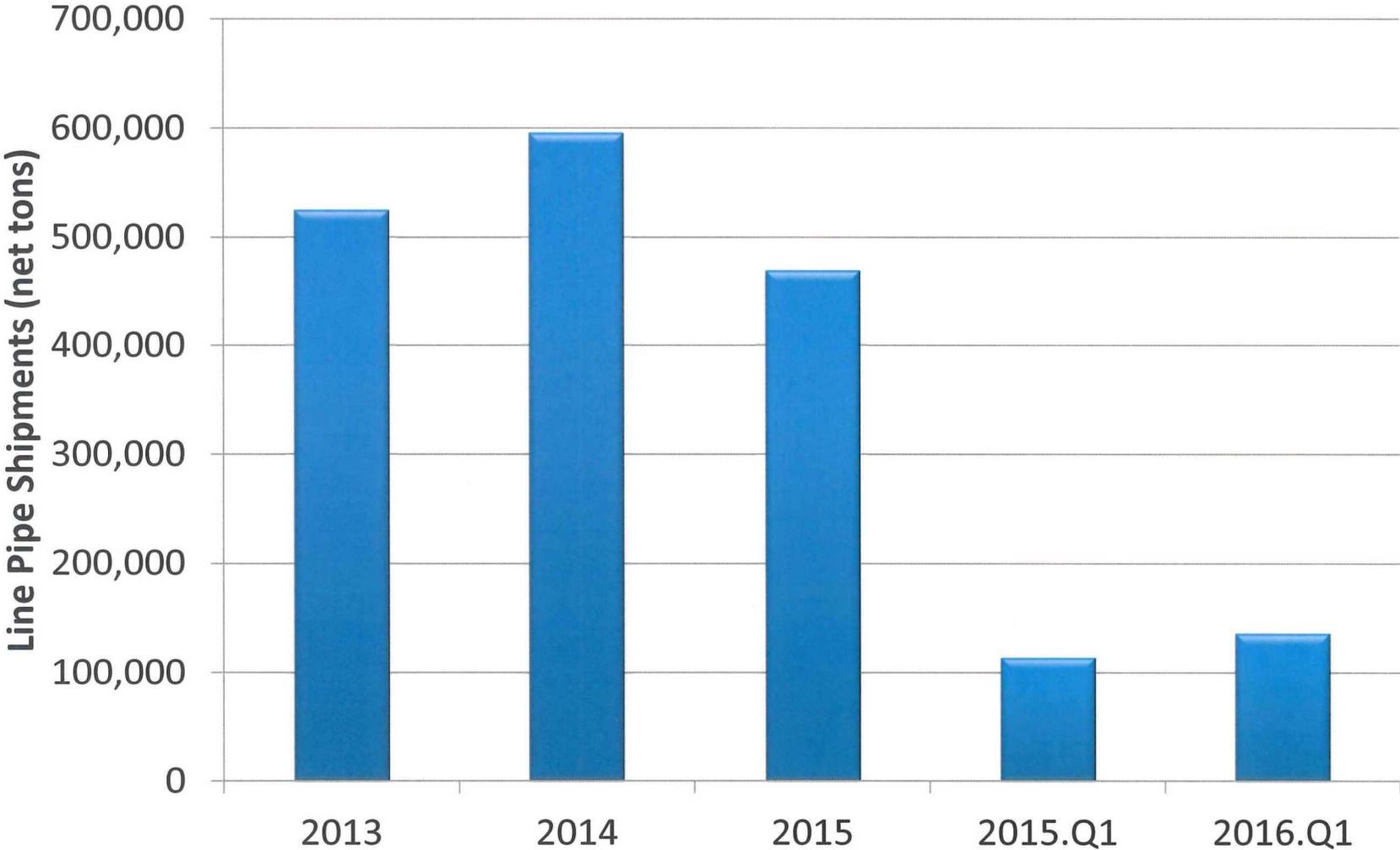
Prepared by Capital Trade, Inc. - 1

The demand for downstream OCTG that uses flanges has decreased



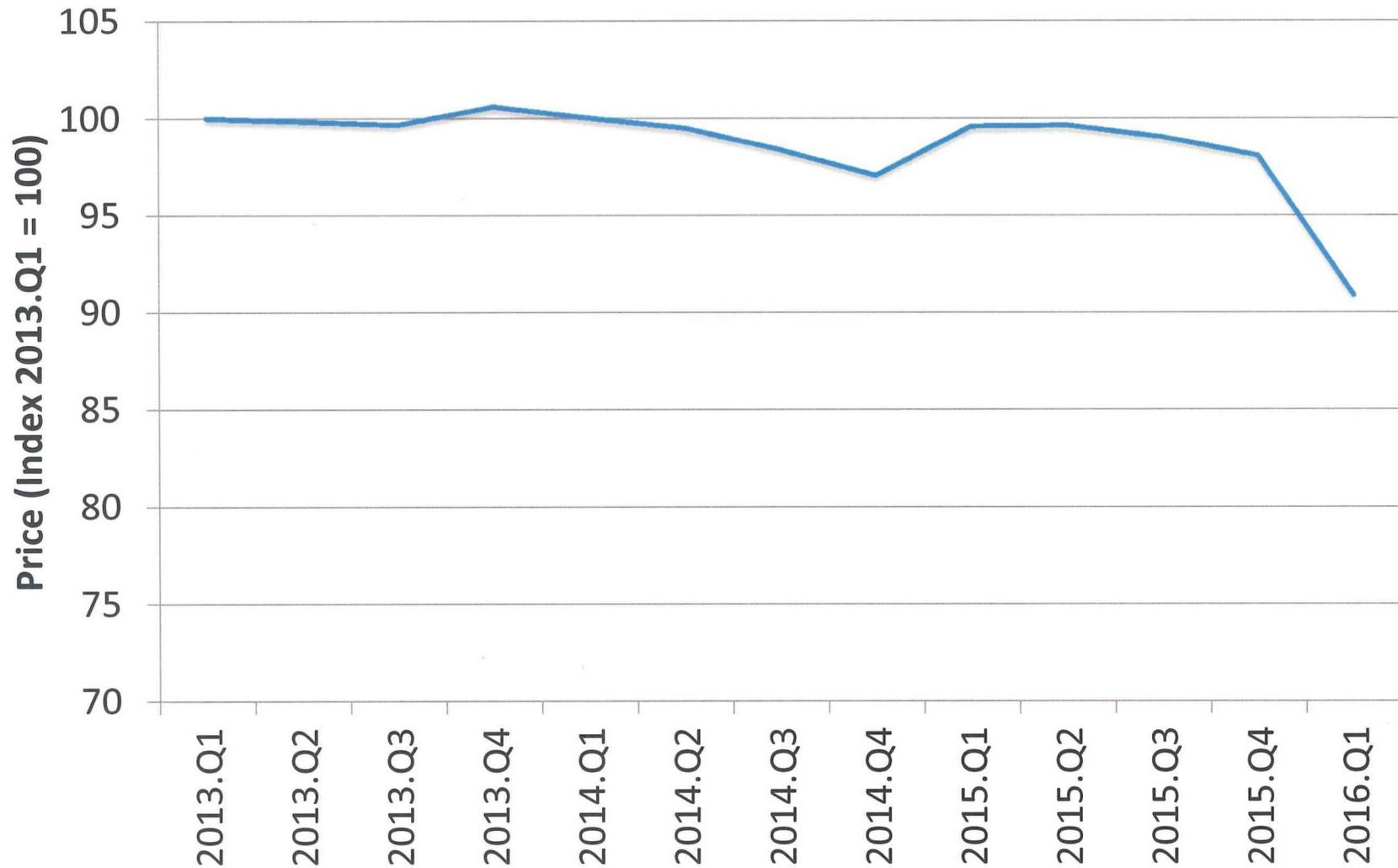
Source: AISI 10 (carbon OCTG).

The demand for downstream carbon steel line pipe that uses flanges has decreased



Source: AISI 10 (carbon line pipe).

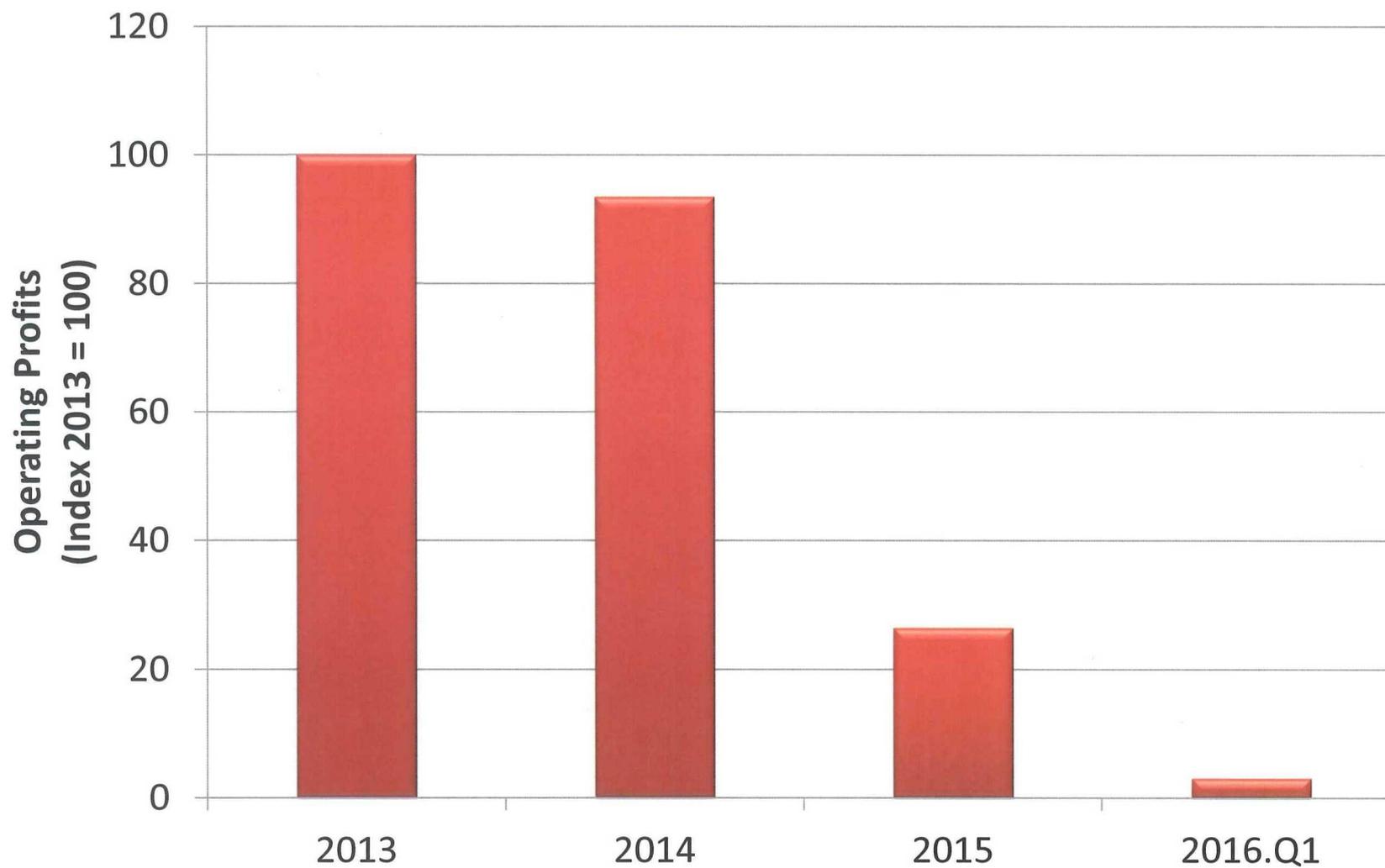
U.S. prices for flanges have dropped



Source: Boltex & Weldbend Product 2 - 4 150 RF WN STD pricing data.

Prepared by Capital Trade, Inc. - 3

Operating profits for flanges have decreased



Source: Boltex & Weldbend. 2016.Q1 profits annualized by multiplying by 4.

Prepared by Capital Trade, Inc. - 4