

For Immediate Release

August 26, 2005

Contact Info:  
Linda Regelman  
Director of Public Relations  
James Communications, Inc.  
412-428-0050  
lregelman@jamescomm.net

**Ormet issued the following statement today.**

The U.S. District Court in Columbus, Ohio, has dismissed the USWA's appeal of the U.S. Bankruptcy Court's Section 1113 ruling in favor of Ormet. In November 2004, Judge Barbara Sellers of the U.S. Bankruptcy Court for the Southern District of Ohio granted Ormet's motion for Section 1113 relief which gave the company the right to implement certain changes in its two labor agreements at the Hannibal reduction plant and rolling mill.

The United Steelworkers appealed the bankruptcy court's decision and the appeal arguments were heard by District Court Judge James Graham in early July. Judge Graham based his dismissal of the appeal on the fact that the USWA had not moved to stay Judge Sellers' decision and that in the interim, Ormet's Plan of Reorganization had been confirmed and substantially consummated. In reaching his decision, Judge Graham noted that reversing Judge Seller's decision would undermine the Plan's success as, "the §1113 rejection orders are integral to the confirmed plan of reorganization" and that "the modifications approved by the rejection orders enabled Ormet to achieve the labor cost savings necessary for it to obtain exit financing and successfully reorganize." This ruling is further validation that these 1113 changes were necessary to ensure the successful reorganization of Ormet.