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Northwest Pipe's Tubular Products Group provides a wide range of products for use in construction, energy, agriculture, traffic sign systems and general industrial purposes. Today, the Company produces this wide array of products from five locations. Both product and geographic diversification serve to reduce the impact of the cyclical nature of this business.

Over the past five years, Tubular Products Group revenues have grown at a compound annual rate of 29.3%. In 2000, the Tubular Products Group generated \$126.4million in revenues, a 22% increase from 1999. Import pressures on pricing and increasing raw material costs during the first half of the year reduced the Group's gross margin, which was reported at 12.5%.

Market conditions in certain segments remain challenging. The Company expects to capitalize on improving conditions in the energy and traffic sign systems markets in 2001.

The Company remains confident in the long-term growth potential of the Tubular Products Group. There is available capacity in most facilities and the Group is developing products to take advantage of this capacity and identified market opportunities. These initiatives should result in continued growth over time.