

GREAT AMERICAN GROUP ADVISORY & VALUATION SERVICES

Metals Monitor
March 2011

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Introduction

Welcome to the March 2011 issue of the *Metals Monitor* from Great American Group Advisory & Valuation Services (“GA”). This publication will provide you with market value trends in both ferrous and non-ferrous metals. The enclosed information is based on qualified metals industry publications and key industry contacts.

The commodity nature of steel scrap, aluminum ingot, copper cathode, and nickel warrants the timely reporting of market value changes. The timing of our mid-month *Metals Monitor* will capture the month-end prices that act as the basis for pricing value-added metal mill products.

The *Metals Monitor* includes a sampling covering most metals projects. GA internally tracks additional specialty and tool steels, all raw materials for steel, specialty steel, and primary aluminum production and manufacturing, but we are mindful to adhere to your request for a simple reference document. Should you need any further information or wish to discuss recovery ranges for a particular segment, please feel free to contact your GA Business Development Officer.

GA’s metals expertise is not confined to use on pure metals projects, but is always utilized in assuring the accuracy and insight for all manufacturing projects where metals are the primary or significant raw materials, regardless of the sector of the finished products. This assures that all appraisals from GA reflect the full scope of our experience and insight.

Trends in Recovery Values

Net Orderly Liquidation Value (“NOLV”) changes for specific categories and companies varied based on market price, inventory costing, and companies’ ability to manage their inventory mix and levels with respect to market supply. GA has presented observations regarding some of the recent trends in NOLVs, but recognizes these should not be generalized to all companies.



In early 2011, sales for many metals products increased due to an improvement in the manufacturing sector, with steel in particular facing healthy demand from the automotive market. In addition, higher demand for aluminum product in late 2010 reduced aluminum inventory levels, signaling an increase in aluminum consumption. As a result, consistent with trends in the previous *Metals Monitor*, steel and aluminum market pricing continued to climb through the first two months of 2011, influencing NOLVs.



ABOUT GREAT AMERICAN GROUP

GA is a leading provider of asset disposition solutions and valuation and appraisal services to a wide range of retail, wholesale, and industrial clients, as well as lenders, capital providers, private equity investors, and professional services firms. In addition to the *Metals Monitor*, GA also provides clients with industry expertise in the form of monitors for the food, automotive, building materials, paper and packaging, and chemicals industries, among many others.

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EXPERIENCE

GA has worked with and appraised a number of companies within the metals industry, including industry leaders in steel and aluminum production and processing. In February 2011, GA appraised a processor and distributor of flat rolled steel products for the automotive industry, with annual sales of \$135 million.

GA's extensive record of metals inventory valuations also includes appraisals for the following types of companies throughout the entire metal supply chain:

- Foreign and domestic metal and steel producing mills;
- Metal converters that produce tubing and pipe, as well as expanded, grating, and perforated metal types;
- Metal service centers/processors as well as distributors;
- Structural and custom fabricators and stampers;
- Manufacturers that utilize metals as raw materials; and
- Scrap yards, recyclers, dealers, and brokers.

While our clients remain confidential, they include the following major businesses:

- Globally recognized vertically integrated steel tube manufacturers;
- A vertically integrated seamless and welded steel pipe producer with more than \$1 billion in sales annually and over \$275 million in inventory;
- A vertically integrated aluminum producer including both the upstream and downstream sides of the industry, with over \$1 billion in sales annually and over \$130 million in inventory;
- One of the U.S.'s largest scrap recycling processors, with \$550 million in sales in 2010; and
- Well-known service centers across the nation, including a multi-division full line steel service center consisting of 29 locations across the U.S., with \$900 million in annual sales and over \$150 million in inventory.

GA also maintains appraisal experience involving precious metals and specialty metals, allowing GA to provide experience-based valuations across the entire metals industry. The metal products that GA has appraised have maintained applications throughout a wide variety of industries including the automotive, construction, aerospace, industrial machinery and equipment, and appliance and electrical equipment markets.

GA has also liquidated a number of companies with metal products including Advanced Composites, Aluminum Skylight & Specialty Corporation, Anello Corporation, Apex Pattern, Balox Fabricators, BJS Industries, Buckner Foundry, Crown City Plating, GE Roto Flow, Laird Technology, Maddox Metal Works, Miller Pacific Steel, R.D. Black Sheet Metal, and Valley Brass Foundry.

In addition to our vast appraisal and liquidation experience, GA maintains a staff of experienced metals experts with personal contacts within the metals industry that we utilize for insight and perspective on recovery values.

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OVERVIEW

Steel is a cyclical industry traditionally driven by physical demand versus merely investment demand, and this metal therefore parallels fluctuations in the U.S. economy. Over the years, industry profitability has been influenced by numerous factors including labor actions, imports, proliferation of trade cases and the subsequent solutions, and deep price discounts by those in desperate situations.

However, a new age has dawned in which the industry is marked by hyper-cyclicity; in this new global landscape, costs are paramount, cycles are condensed, consolidation promotes discipline, and steel prices rise and fall rapidly.

OVERVIEW

AUTOMOTIVE

The automotive industry is a large driver of demand for steel products. The big three Detroit auto-makers, General Motors Company (“GM”), Ford Motor Company (“Ford”), and Chrysler Group LLC (“Chrysler”) reported double-digit growth in February 2011 car sales. GM experienced a 46% jump, to total 207,028 vehicles versus 141,951 units a year earlier. Ford followed with a 14% increase to total 156,626 units versus the prior year. Chrysler lagged behind its peers, reporting a 13% rise to reach 95,102 units versus 84,449 units in February 2010.

The automotive market has recently represented a bright spot for the U.S. steel sector, and auto sales are forecast to rise from the low of 10.6 million units in 2009 to between 12 million and 13 million units this year. However, Jim Tumulty, managing director for financial firm Raymond James and Associates, indicates sales are expected to be dampened by stagnant incomes, climbing interest rates, continued personal debt, and higher gasoline prices.

MANUFACTURING

The U.S. manufacturing sector, a large consumer of metals, continues to improve. In February 2011, U.S. manufacturing activity grew at the fastest pace since 2004. The Institute for Supply Management’s purchasing managers index (“PMI”), an indicator of manufacturing activity, increased 0.6 percentage points from a reading of 60.8 in January to 61.4 in February. Readings greater than 50 signify growth in the manufacturing economy, while readings below 50 denote contraction.

The improved domestic manufacturing sector reflects the addition of workers in factories and increased production. Europe also experienced rapid expansion in the manufacturing sector, which grew at the fastest pace in more than 10 years. The growth rate at factories in China, however, represented the slowest pace in six months.

The following table reveals the trends for various indicators in the PMI:

	February 2011	January 2011	Change
PMI	61.4	60.8	0.6
New Orders	68.0	67.8	0.2
Production	66.3	63.5	2.8
Employment	64.5	61.7	2.8
Supplier Deliveries	59.4	58.6	0.8
Inventories	48.8	52.4	(3.6)
Customers’ Inventories	40.0	45.5	(5.5)
Prices	82.0	81.5	0.5
Backlog of Orders	59.0	58.0	1.0
Exports	62.5	62.0	0.5
Imports	55.0	55.0	0.0

ENERGY

The energy market is a large consumer of metals used for pipelines and oil rigs. The Baker Hughes Rig Counts represent an important business barometer for the drilling industry and its suppliers. The active rig count serves as a leading indicator of demand for metal products used in drilling, completing, producing, and processing hydrocarbons.

The energy sector continues to improve. According to Baker Hughes data from March 4, 2011, the U.S. rig count totaled 1,707 rigs actively exploring for or developing oil or natural gas. The count increased by eight rigs from the previous count on February 25, 2011 and rose 311 rigs from last year. The Canadian rig count totaled 625 rigs for the week, and was up two rigs from the prior count and 82 rigs from a year ago. The increased rig counts for the U.S. and Canada were in spite of continued instability in the Middle East, which has boosted oil prices to more than \$100 per barrel.

	United States	Canada	International
Date of Recent Rig Count	March 4, 2011	March 4, 2011	January 2011
Count	1,707	625	1,161
Date of Prior Rig Count	February 25, 2011	February 25, 2011	December 2010
Change From Prior Count	8	2	43
Date of Last Year’s Rig Count	March 5, 2010	March 5, 2010	January 2010
Change From Last Year’s Count	311	82	114

RECENT APPRAISAL TRENDS

In recent months, market prices for most metals have been on the rise. Appraisals valuing metals inventory are generally dependent on market prices, which are often driven by demand from metal-consuming industries such as the automotive, construction, oil drilling, and industrial sectors. The continued recovery in the overall economy has boosted metals demand from these sectors.

GA has worked with vertically integrated steel tubular manufacturers, aluminum producers and downstream manufacturers, a number of steel service centers and processors, and various other metals companies. Most recently, GA appraised a processor and distributor of flat rolled steel products for the automotive industry, which demonstrated positive sales trends in the range of 30% to 40% on both a dollar and volume basis. Flat rolled products typically receive high gross recovery rates based on the width of the steel coil, with higher values for coil widths of 36 inches or greater.

Consistent with the previous *Metals Monitor*, GA has observed improvement in NOLVs for some companies from a market approach for both aluminum and steel products. As with all commodity-based deals such as metals, the gross recovery rates are based on discounts from market pricing.

The strongest factor in a company’s gross recovery trend is the exposure of that company’s inventory at cost to the changing market rates. As market prices have continued to increase for most metals over the last month, some companies are experiencing a widening spread between cost and market price, which would increase NOLVs. However, should inventory costs increase or exceed market prices, this negative relationship to market price would result in lower-recovering inventory.



GA recognizes recovery values for each company are unique based on their costing, gross margin trends, inventory mix and levels, and other business indicators. In addition, as market prices are volatile, a change in metals market price trends would have an impact on recovery values. GA therefore provides the *Metals Monitor* on a monthly basis in order to capture recent market trends and analyze their impact on NOLVs.

MONITORING POINTS

Monitoring Point	Impact
Monitor scrap supply and pricing.	The level of scrap supply versus demand is the primary cause for price increases. As scrap supply becomes available, scrap prices will pull back, resulting in lower costs of input for steel and aluminum producers, possibly resulting in downward pricing pressure for finished goods.
Monitor LME aluminum warehouse stocks.	LME aluminum warehouse stock levels provide a global look at aluminum availability. An increase in these stocks with a relatively stable demand could result in downward pricing pressure, while a depletion in these stocks could result in higher pricing.
Monitor automotive and commercial/industrial building markets.	As these markets are large consumers of metal products, the health of these industries is vital for the metals industry in the U.S. An increase in demand for products in these markets entail greater demand for metals.

CARBON STEEL

SCRAP

Steel Business Briefing (“SBB”) sources indicate U.S. scrap pricing for March is expected to remain flat or slightly up, ranging from \$455 to \$460 per gross ton for shredded material, delivered mill.

Certain sources worry overcapacity in in-feed shredding may deflate pricing, though export and regional demand will be key determinants. “There are too many shredders and too much shredding capacity,” said a scrap broker in the Mid-Atlantic region. “So many are high-volume mega shredders. I’m not certain that volume is off so much as the capacity to shred is too great.” Others disagree, believing supplies will remain tight in the next month.

Scrap metal processor Metalico, Inc. (“Metalico”) has purchased a portion of the former Bethlehem Steel/ ArcelorMittal steelmaking plant in Lackawanna, New York to use as a recycling facility. Metalico indicated that by combining feedstocks created from its own scrap yards and material available for purchase in the region, the company expects to produce 120,000 tons of high-quality shredded steel scrap annually. In addition, upon reaching full commercial operation by the end of the year, the purchased facility is forecast to generate \$50 million in annualized revenue.

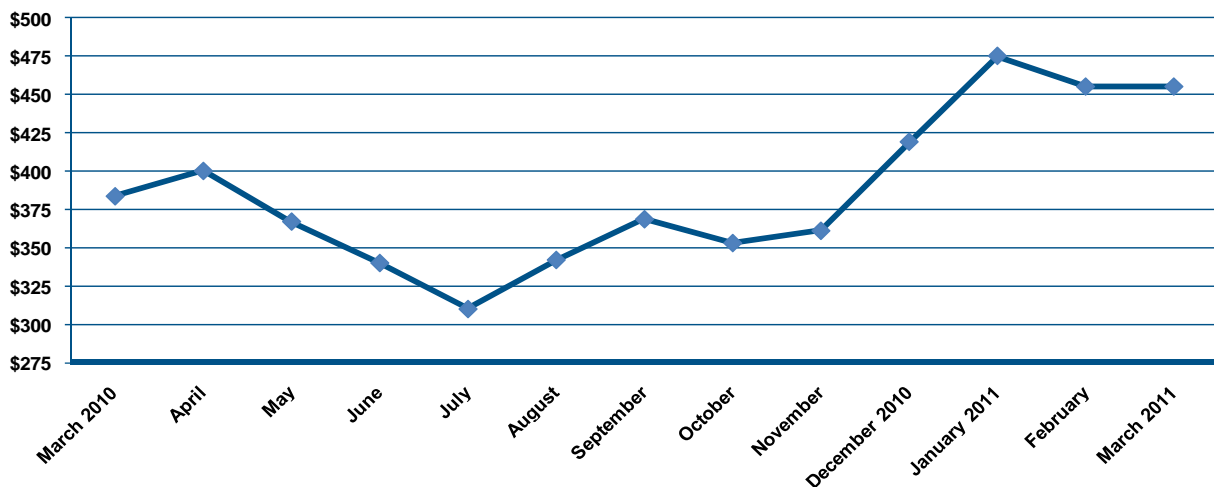
UTILIZATION RATES

For the week ended February 26, 2011, domestic raw steel production totaled 1,841,000 net tons, increasing 7.0% from 1,720,000 net tons for the week ended February 26, 2010. The American Iron and Steel Institute also reported capability utilization reached 75.3% versus 71.1% the prior year. In addition, production climbed 1.2% from 1,820,000 net tons for the previous week ended February 19, 2011, with the capability utilization remaining stable at 75.3%.



Adjusted year-to-date production through February 26, 2011 totaled 14,505,000 net tons, with a capability utilization rate of 72.8%. The year-to-date figure represents a 10.4% increase from 13,141,000 net tons during the same period the prior year, when the capability utilization rate was 67.5%.

**Shredded Carbon Steel Scrap
North American Domestic Delivered Mill
Monthly Average Price Per Gross Ton
March 2010 Through March 2011**



CARBON STEEL

UTILIZATION RATES

The following chart lists production by districts in net tons for the week ended February 26, 2011:

District	Production
Northeast Coast	87,000
Pittsburgh/Youngstown	130,000
Lake Erie	44,000
Detroit	118,000
Indiana/Chicago	457,000
Midwest	289,000
Southern	627,000
Western	89,000

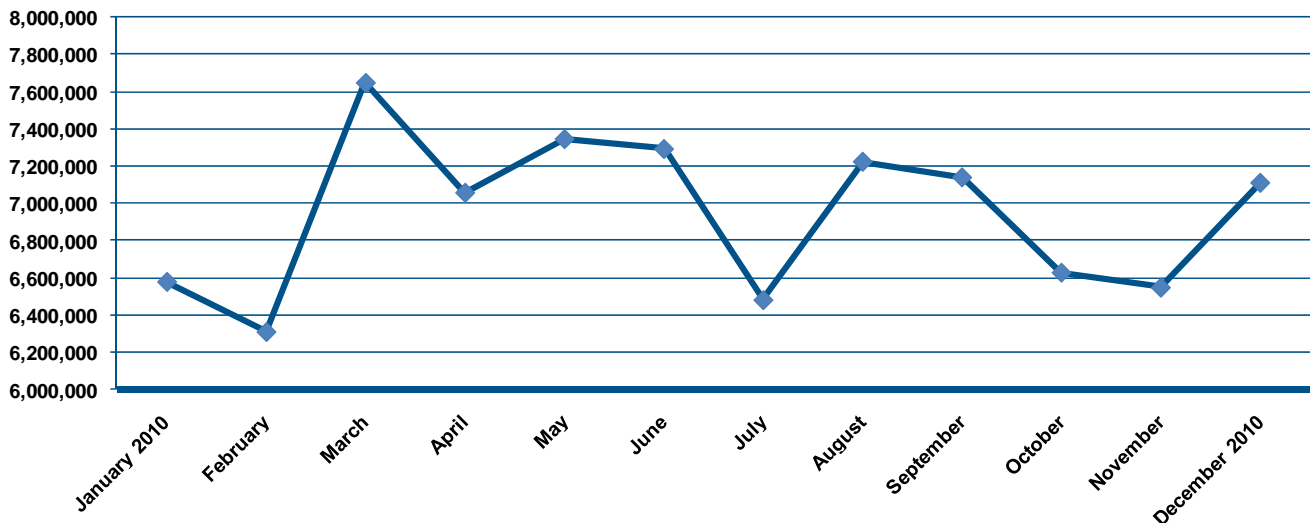
CARBON FLAT ROLLED SHEET COIL

According to SBB, carbon steel sheet producers have increased seven times since mid-November 2010, raising overall spot market prices for hot rolled sheet by nearly 61%. The bulk of these price increases has been attributed to rising costs for steelmaking inputs such as scrap, iron ore, and coal, with healthier demand recently cited by steel buyers who have begun to experience more stable input costs.

In early March, buyers indicated spot prices FOB hot rolled coil (“HRC”) orders ranged from \$840 to \$880 per net ton, as mills remain open to negotiating on price rather than losing orders. Larger buyers are able to purchase at the bottom of the range, according to buyer sources from several U.S. regions. Cold rolled coil (“CRC”) and hot dipped galvanized coil (“HDG”) spot prices have increased to ranges of \$950 to \$1,000 per net ton and \$980 to \$1,080 per net ton, respectively, FOB mill.



**Steel Shipments
In Net Tons
January 2010 Through December 2010**



CARBON STEEL

CARBON FLAT ROLLED SHEET COIL

SBB's The Steel Index registered a \$21 week-over-week increase for HRC prices to \$853 per net ton on March 1, 2011, with \$5 and \$10 increases for CRC and HDG, respectively, to \$957 and \$987 per net ton, respectively. The week-over-week increases in price were attributed to relatively flat capability utilization on the production side.

Current distributor transaction prices for HRC and CRC delivered to end-users range from \$1,293 to \$1,358 per net ton and \$1,507 to \$1,617 per net ton, respectively, with HDG quoted at \$1,584 per net ton.

"There's not enough steel in the market," said a company in the Eastern region that stocks carbon steel sheet coil. "And, if production rates don't go up, it's going to be [short] for awhile."

"Prices continue to rise and look impressive, though building inventory at these prices looks risky," cautioned a market source in the Midwest region. "Demand is better than a few months ago, though order volume still represents hedge buying."

Among the steelmakers raising prices are ArcelorMittal; Nucor Corporation ("Nucor"); Severstal North America, Inc. ("Severstal"); and the AK Tube LLC ("AK Tube") subsidiary of AK Steel Holding Corporation ("AK Steel").

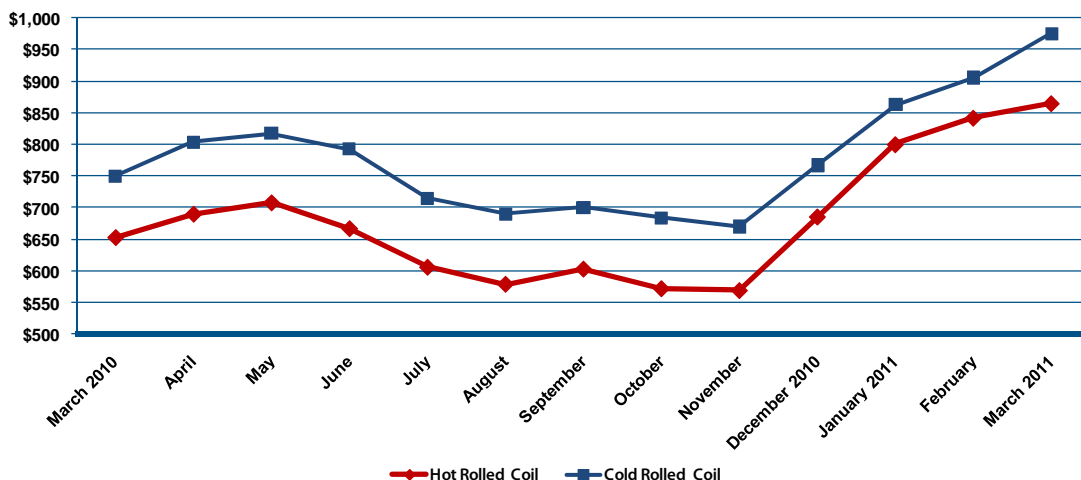
ArcelorMittal increased flat rolled steel prices for domestic automakers by 8% effective with February 20, 2011 orders, according to SBB. In addition, Nucor is implementing sheet price hikes of nearly \$30 per net ton, pushing its HRC list price to \$870 per net ton. Severstal is instating a price increase of \$50 per net ton to match the hike announced by both AK Steel and NLMK Indiana/Duferco Farrell Corp., which brought HRC prices to \$900 per net ton. AK Tube is also boosting base prices for HRC, CRC, and HDG product lines.

In manufacturer news, union workers at U.S. Steel Hamilton Works remain locked out due to pension-related issues, marking the 17th week of negotiation stalemate since the conflict began on November 7, 2010.

Severstal is increasing its investments on equipment in 2011, with \$465 million dedicated to a second electric arc furnace, continuous slab caster, tunnel furnace, pickling line, and second HDG line at the Severstal Columbus, Mississippi location, as well as a new HDG line and cold rolling mill at the Dearborn, Michigan steelwork location.

In addition, The Renco Group, Inc. announced that its newly formed, wholly-owned subsidiary, RG Steel, LLC, intends to acquire three steel companies currently owned by Severstal US Holdings, LLC., potentially making RG Steel, LLC the fourth-largest flat rolled steel producer in the U.S.

**Hot Rolled Coil and Cold Rolled Coil
North America Domestic FOB U.S. Midwest Mill
Monthly Average Price Per Net Ton
March 2010 Through March 2011**



CARBON STEEL

PLATE

In early March, U.S. plate market prices approximated \$1,000 per net ton for the A36 grade, FOB mill, according to SBB. Lead times for steel plate have increased from the typical six to eight weeks to a range of eight to 10 weeks.

Prices for plate products have been buoyed by agricultural companies such as Deere & Company, as well as the mining and domestic railcar industries.



Railcar manufacturer FreightCar America, Inc. indicated the domestic railcar industry is expected to improve in 2011 and 2012, as the company has received orders for more than 3,000 new railcars to be produced and delivered, signaling an increase in demand for heavy plates.

CARBON STEEL LONG PRODUCTS

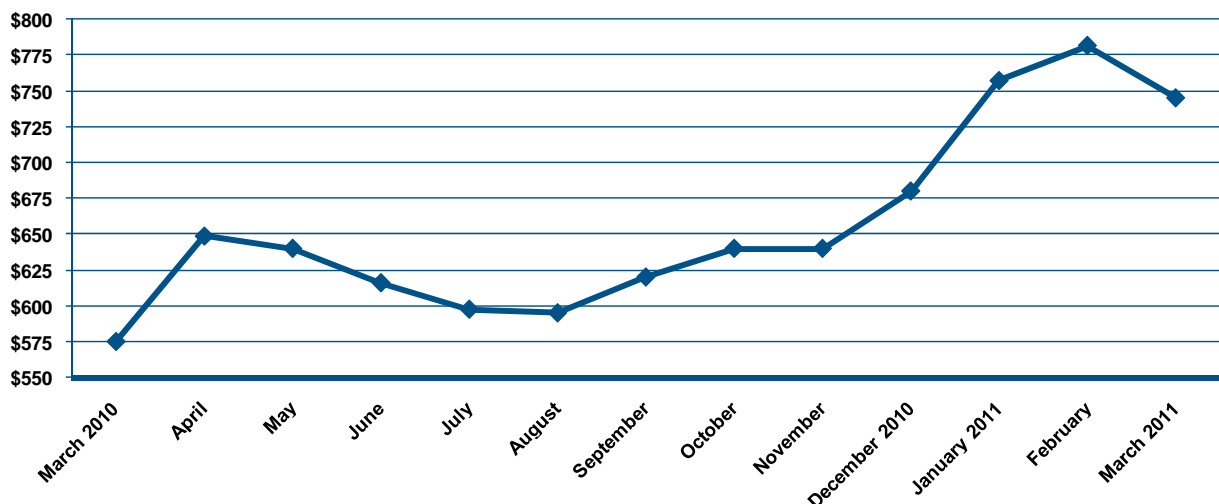
Overall market prices for carbon steel long products have declined recently, although certain categories continue to increase. U.S. rebar prices have weakened after a buying frenzy in December and January and the subsequent soft demand. SBB reported rebar spot prices approximated \$740 to \$755 per net ton, FOB mill, in early March, down from \$750 to \$775 per net ton in late February and \$800 to \$820 per net ton in early February.

“Prices are probably stable at this point,” said a domestic rebar trader. “I don’t see prices going up on hardly any product in the near future, rebar in particular.”

Yet, prices for other long products are on the rise. Wheatland Tube Company is raising its base prices for certain continuous weld pipe and fence framework by nearly 8%, while it is boosting base prices for specific electric resistance welding (“ERW”) pipe grades by \$80 per net ton.

SBB also indicated ArcelorMittal is raising spot prices on wire rod products by \$30 per net ton effective March 15, 2011, and tube producer PTC Alliance Holdings Corp. is increasing base prices by \$60 per net ton for its entire ERW product line effective April 4, 2011.

**Long Products/Rebar
North America Domestic FOB U.S. Midwest Mill
Monthly Average Price Per Net Ton
March 2010 Through March 2011**



CARBON STEEL

CARBON STEEL LONG PRODUCTS

In manufacturer news, steel pipe and tube maker TMK OAO is making progress on its second threading line at its Brookfield, Ohio facility. Upon completion, the threading line is expected to double threading capacity and allow for the threading of larger pipes, which would allow the company to meet the greater demand from the oil and gas industry.

Lakeside Steel Inc. (“Lakeside Steel”) is installing in-house heat-treatment and normalizing capabilities at its mill in Welland, Ontario, Canada, which would eliminate the company’s need for third-party processing. SBB also reports Lakeside Steel will add approximately 192,000 net tons of capacity via its new mill in Alabama by December.

Special bar quality steel producer Republic Engineered Products Inc. is planning to expand its capacity per current and expected demand via its new precision sizing mill and equipment at its Blasdel, New York facility and extra capacity at its Canton, Ohio facility.

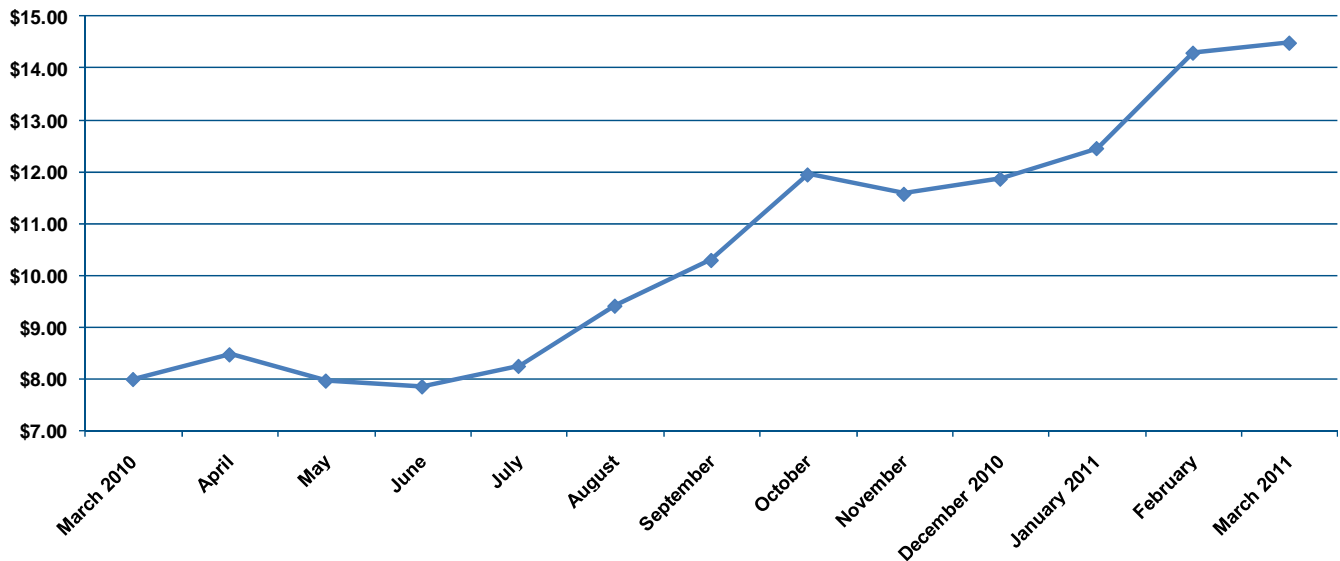
TIN

Tin market prices are expected to increase in 2011 due to constricted global tin exports in the first half of the year and a recovery in tin demand. Although tin supplies are increasing, they are being built up at a slower rate than the rise in consumption, partially due to production issues in Indonesia.

Despite the supply constraints, tin market prices decreased \$0.31 per pound to reach \$14.34 per pound on the Kuala Lumpur Tin Market on March 3, 2011 due to the Libyan crisis and fell \$0.32 per pound to reach \$14.33 per pound on the London Metal Exchange (“LME”) following escalating oil prices worldwide.

However, prices should reverse as supplies fall short of rising demand. Global Forecasting Service anticipates tin prices will increase further in 2012 to reach a new record in nominal terms before the market retreats and rebalances.

Tin LME Monthly Average Price Per Pound March 2010 Through March 2011



CARBON STEEL

ZINC

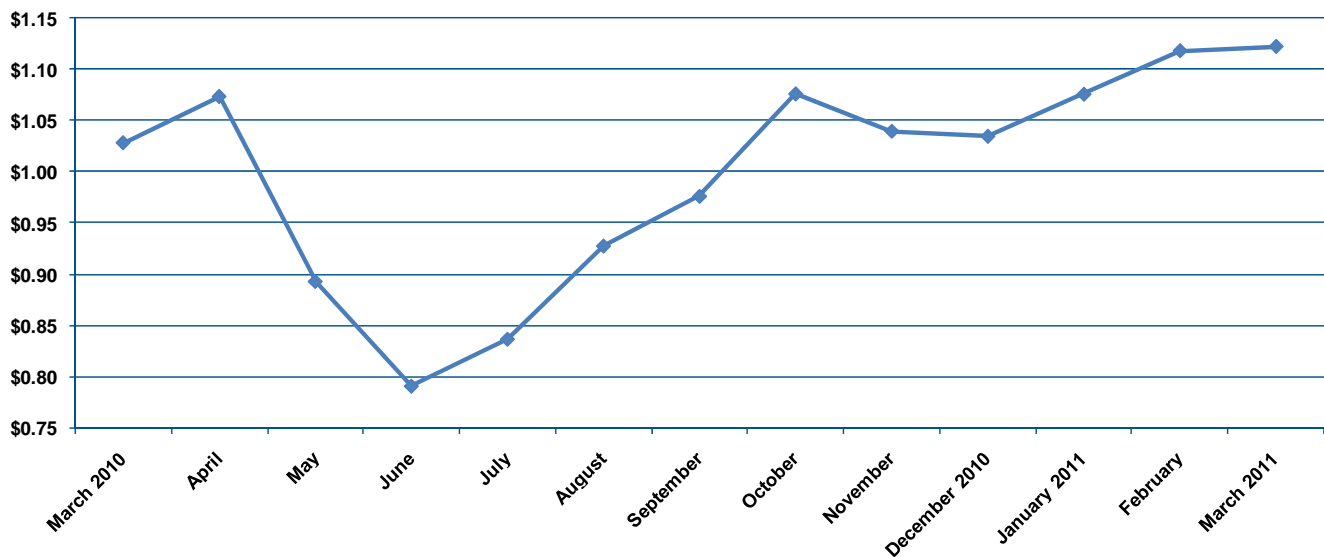
The Lead & Zinc Study Group recently reported the global supply of refined zinc metal exceeded demand by 264,000 metric tons in 2010. Stocks at warehouses for the LME and Shanghai Futures increased 211,000 and 137,000 metric tons, respectively. The rising zinc supply was partially mitigated by a decline of 50,000 metric tons for stocks maintained by the Chinese State Reserve Bureau.

In 2010, global mine output climbed 8.8% to 12.3 million metric tons versus the prior year, driven by higher output from Australia, China, India, Mexico, and Russia. Global refined metal production also increased 13.3% to 12.8 million metric tons versus 2009 as idle capacity returned on-stream and Chinese output surged.

In addition, global zinc usage experienced a recovery in 2010 versus the prior year, increasing 15.6% to surpass 12 million metric tons, with Chinese and European usage up 13.3% and 29.3%, respectively. China's zinc imports declined, however, reaching 281,000 metric tons compared to 641,000 metric tons in 2009.

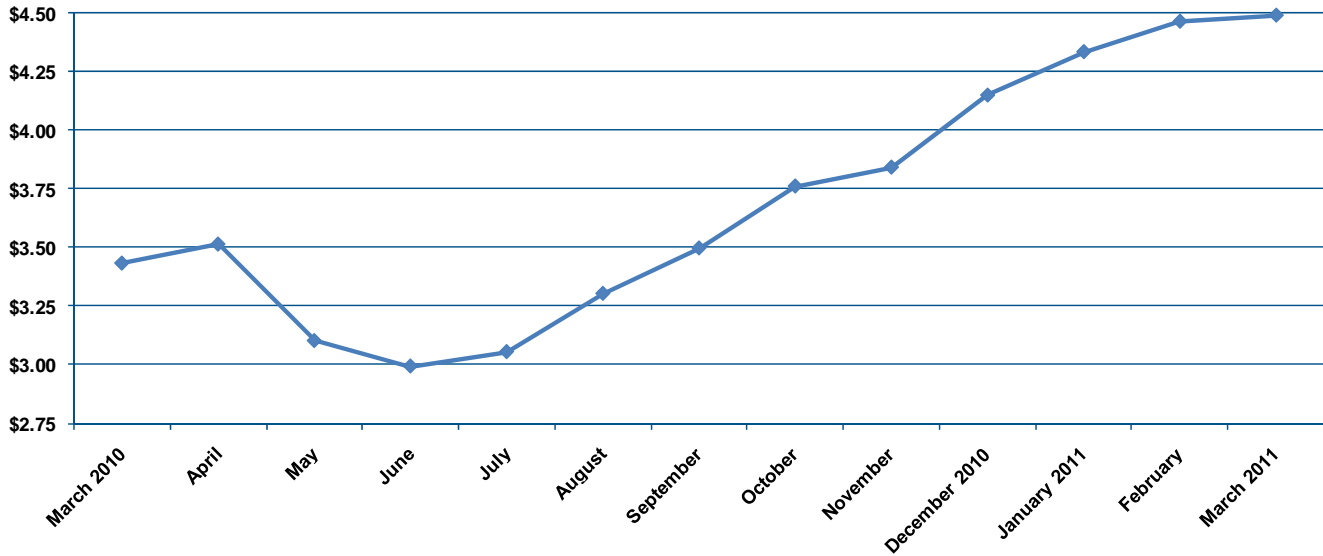


**Zinc LME Monthly Average Price Per Pound
March 2010 Through March 2011**



COPPER

Copper LME Monthly Average Price Per Pound March 2010 Through March 2011



Copper prices have been on the rise and are expected to experience additional increases through 2011 due to supply-side constraints, and influenced by improved demand from the auto manufacturing industry.

Goldman Sachs Group Inc. analysts forecast 12-month copper prices at \$4.99 per pound, while Bank of America Merrill Lynch analysts predict prices of \$5.10 per pound, given the tight scrap and concentrate market.



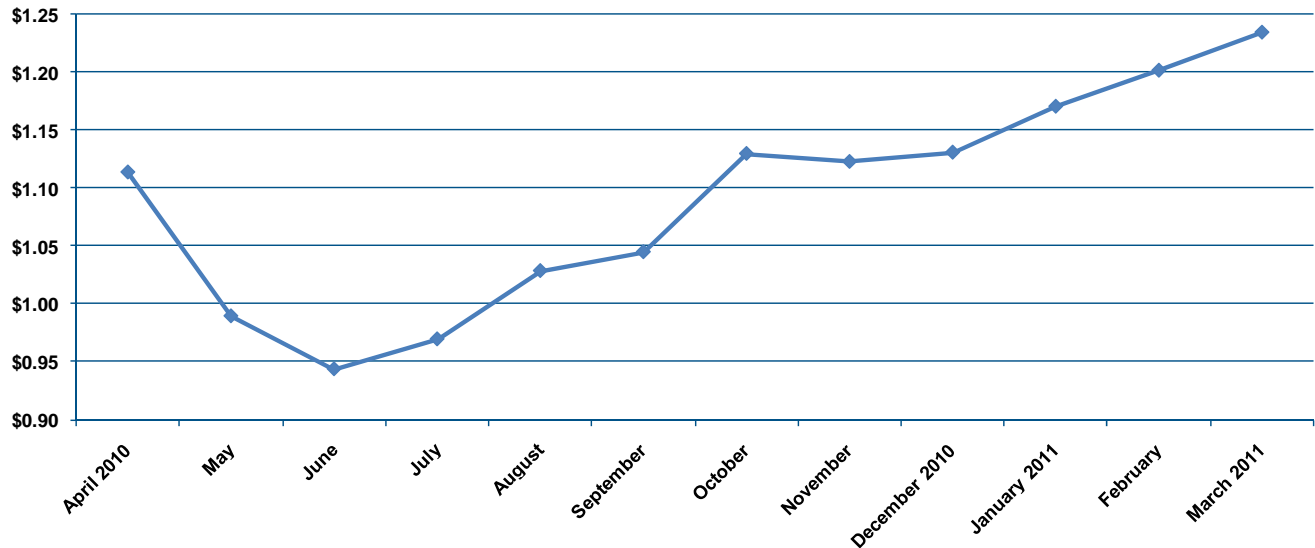
The limited copper supplies are not likely to improve this year; LME copper stocks totaled 377,675 metric tons in the beginning of 2011, decreasing 24.8% from 502,400 metric tons at the start of 2010.

COMEX copper stocks fell 34.7% during this period to reach 64,888 net tons versus 99,368 net tons the prior year. Despite the declines in copper exchange stocks, levels remain notably higher than the 2008 supplies.

Copper is widely used in vehicle production in a variety of applications including wiring, electric windows, and heat exchangers.

ALUMINUM

P1020 Primary Aluminum Sheet Ingot Average Monthly Price Per Pound April 2010 Through March 2011



Aluminum prices continue to recover in 2011 from its lows during the economic downturn and are expected to sustain growth in the following years due to strong increases in demand, according to Global Industry Analysts, Inc. Secondary aluminum prices in the U.S. market remained relatively stable in recent weeks, but moved higher in late February as demand improved.

“We are busy on alloys – a lot of people are buying right now,” said a secondary alloy producer. Another producer indicated it was nearly sold out of grade A380 aluminum alloy.

After remaining steady at \$1.20 to \$1.21 per pound, grade A380 aluminum alloy increased to a range of \$1.21 and \$1.22 per pound, with some aluminum manufacturers quoting up to \$1.24 per pound. Producer price increases were influenced by the LME’s official three-month North American special aluminum alloy contract, which climbed nearly 3% to \$1.17 per pound on March 3, 2011.

Premiums for aluminum billets are also on the rise, as domestic aluminum billet producers pushed premiums up to a range of 11.25 to 12.5 cents per pound in late February versus 10.5 to 11.0 cents per pound in prior weeks.

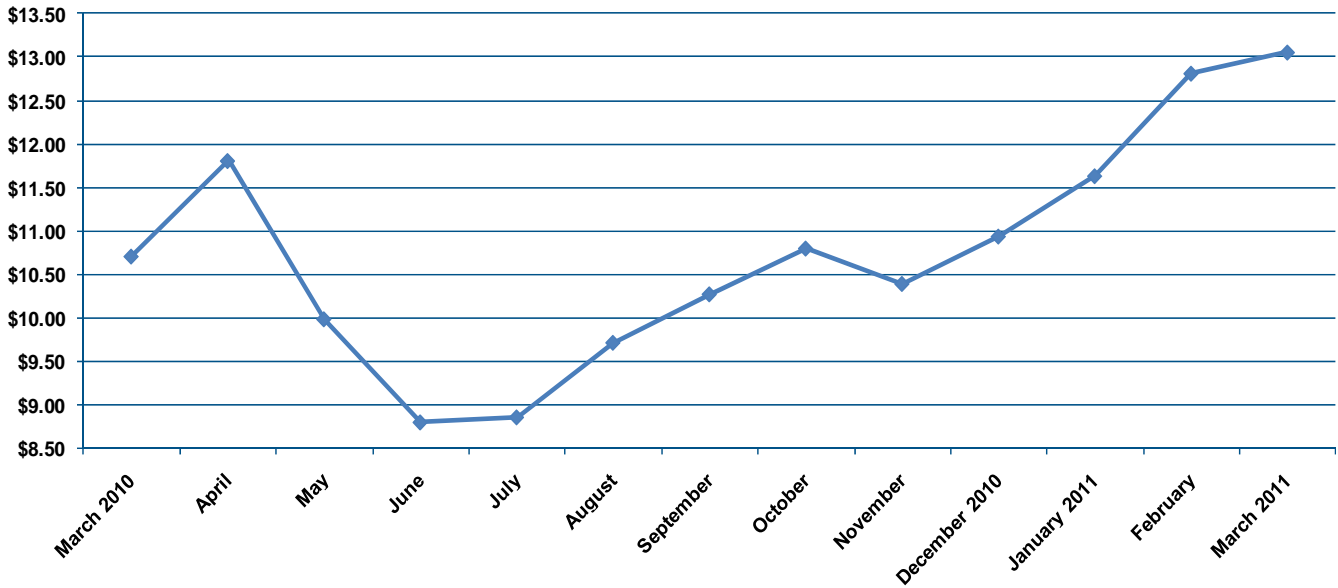
Aluminum scrap prices have become more firm as demand remains strong and supplies are tight. In mid-February, old aluminum sheet and cast scrap prices firmed to a range of \$0.78 and \$0.81 per pound from the previous range of \$0.77 to \$0.80 per pound, and used beverage container scrap prices increased to a range of \$0.90 to \$0.92 per pound from \$0.88 to \$0.90 per pound. Market experts believe prices will remain relatively stable or increase slightly in March.



U.S. aluminum fabricator Kaiser Aluminum Corporation indicated the aluminum market will experience continued growth due to genuine demand increases from the aerospace and automotive sectors. The aerospace sector in particular is expected to demonstrate a rebound in demand following its extended period of supply chain destocking.

NICKEL

**Nickel LME Monthly Average Price Per Pound
March 2010 Through March 2011**



Although nickel stocks fell short of demand in 2010 with a deficit of 93,500 tons, supplies are forecast to represent a surplus of up to 88,000 tons in 2011, according to Nickel Study Group.

The expected surplus is attributed to increased nickel projects worldwide and strong nickel pig iron output from China, which will surpass the growth in stainless steel demand this year. Another concern is the ability of nickel projects to ramp up according to schedule.

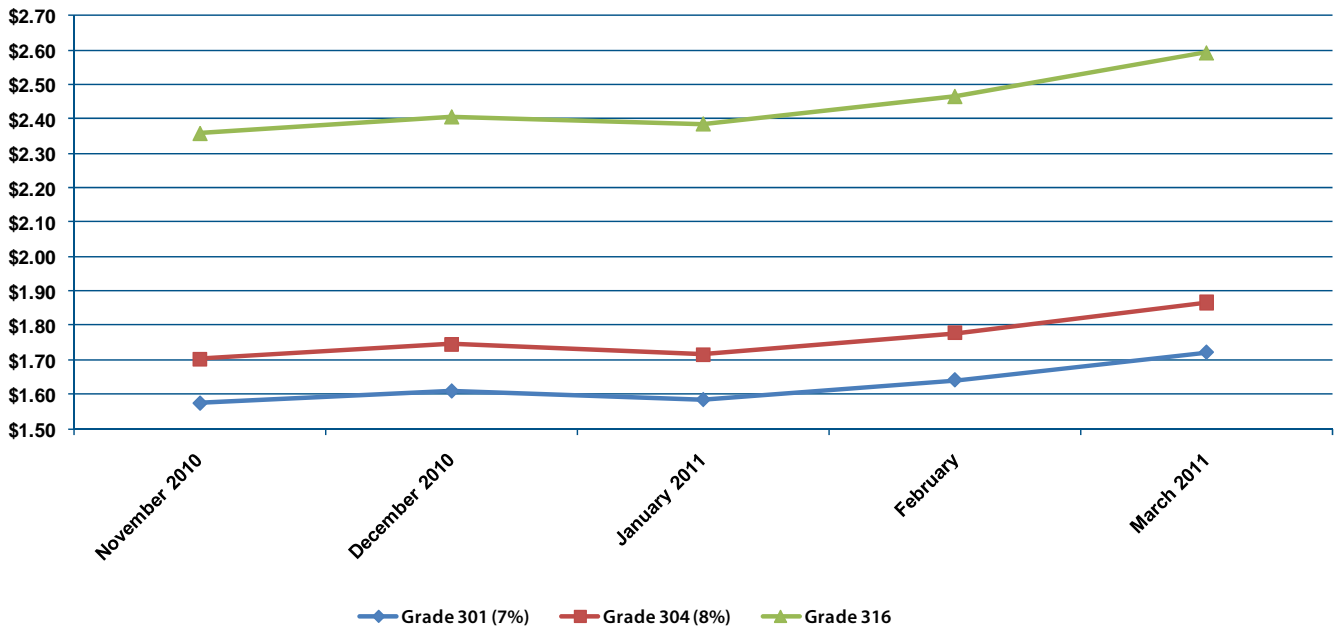
“Every year they say that new mines are coming online, and then nothing happens,” said a domestic nickel trader.

Three-month nickel prices on the LME increased 10.2% to an average of \$12.82 per pound versus the previous month February. However, nickel prices have been recently dampened by rising oil prices and remain volatile in the short term.



STAINLESS STEEL

**Stainless Steel Flat Rolled Coil
Monthly Average Base Selling Price Per Pound
Less Discounts, Including Surcharges
November 2010 Through March 2011**



Investment firm Société Générale reports stainless steel consumption is expected to increase in 2011 as a result of higher global demand, with especially strong production during the first quarter. Stainless steel prices are therefore increasing.

In late February, U.S. stainless steel prices remained relatively stable at just over \$1.79 per pound for most grade 305 CRC products, according to SBB, although some sources reported prices ranging between \$1.77 and \$1.88 per pound.

Stainless steel producer Allegheny Technologies Inc.’s (“ATI”) Ludlum business increased its prices by 5% to 8% for nickel-based alloys and high nickel-bearing stainless steel sheet, plate, and precision-rolled strip, effective February 23, 2011. ATI, AK Steel, and ThyssenKrupp reduced their own price hikes for stainless steel flat products by two percentage points in mid-February, bringing the transaction price increase to approximately 6%.

North American Stainless refused to join in the price increase for stainless flat products, concerned the price hike would not be accepted in the market given the expected surcharge increases in March and April.

SBB indicated higher surcharges may boost transactional pricing to a range of \$1.91 to \$1.97 per pound. AK Steel plans to raise surcharges by nearly 8% in April for most commodity grades. The company has announced a surcharge increase for grade 305 stainless steel flat rolled products to approximate \$1.36 per pound, with surcharges for grades 201 and 316 products increasing to \$0.85 and \$1.95 per pound, respectively. The surcharge for grade 430 stainless CRC will remain relatively consistent at \$0.31 per pound.

METALS REFERENCE SHEET

CARBON STEEL SCRAP VALUES — CHICAGO MARKET

	YEAR AGO	JANUARY 2011	FEBRUARY 2011	MARCH 2011 MTD
AUTO SHRED	\$395.00/GT	\$457.00/GT	\$457.37/GT	\$455.00/GT
HMS (HEAVY MELT STEEL)	\$360.00/GT	\$415.25/GT	\$431.32/GT	\$425.00/GT
BUSHELING	\$470.00/GT	\$484.00/GT	\$486.58/GT	\$485.00/GT

CARBON STEEL VALUES IN MAJOR COMMODITY FORMS

CARBON FLAT ROLLED SHEET COIL BASE PRICE

	DECEMBER 2010	JANUARY 2011	FEBRUARY 2011	MARCH 2011 MTD
HOT BANDS	\$658.40 Avg/NT	\$777.00 Avg/NT	\$874.80/NT	\$900.00/NT
COLD ROLLED	\$776.40 Avg/NT	\$880.00 Avg/NT	\$974.80/NT	\$1,000.00/NT
HOT DIPPED COATED GALVANIZED	\$873.40 Avg/NT	\$983.60 Avg/NT	\$1,079.80/NT	\$1,105.00/NT

CARBON STEEL PLATES BASE PRICE

		JANUARY 2011	FEBRUARY 2011	MARCH 2011
PLATE COILS AND STRIP MILL COILS		\$700 - \$740/NT	\$840 - \$900/NT	\$890 - \$910/NT
DISCRETE PLATES*	CARBON STEEL	\$820/NT	\$900/NT	\$1040/NT
	ALLOYS PLATES	\$1,006/NT	\$1,060/NT	\$1,180/NT

*Depending on thickness limits and subject to grade extras up to \$600/NT

HOT ROLLED MERCHANT BAR (MBQ) SHAPES (NET OF DISCOUNTS AND REBATES)

	JANUARY 2011 DELIVERY	FEBRUARY 2011 DELIVERY	MARCH 2011 DELIVERY
1/2" X 4" FLATS*	\$855 Avg/NT	\$870 Avg/NT	\$870 Avg/NT
2" X 2" X 1/4" ANGLES*	\$850 Avg/NT	\$865 Avg/NT	\$865 Avg/NT
REBAR COILS, GRADE 60: #3 TO #5 SIZES	\$715 Avg/NT	\$785 Avg/NT	\$785 Avg/NT
MERCHANT BAR (FOB MIDWEST MILL)	\$870 - \$890/NT	\$935 - \$955/NT	\$935 - \$955/NT

*Variances include East to West Coast markets and variances in rebates.

METALS REFERENCE SHEET

SBQ BARS (INCLUDING SURCHARGES, NET OF REBATES)

	JANUARY 2011 DELIVERY	FEBRUARY 2011 DELIVERY	MARCH 2011 DELIVERY
HOT ROLLED 1000 1" DIAMETER	\$46.45/CWT (\$929/NT)	\$49.25/CWT (\$985/NT)	\$48.75/CWT (\$975/NT)
HOT ROLLED 4100 1" DIAMETER	\$50.00/CWT (\$1,000/NT)	\$52.75/CWT (\$1,055/NT)	\$52.50/CWT (\$1,050/NT)
COLD FINISHED C1018 1" DIAMETER	\$56.50/CWT (\$1,130/NT)	\$59.50/CWT (\$1,190/NT)	\$59.00/CWT (\$1,180/NT)

OCTG AND LINE PIPE SAMPLING

	JANUARY 2011 DELIVERY	FEBRUARY 2011 DELIVERY	MARCH 2011 DELIVERY
J55 ERW 4 1/2" TO 8 5/8"	\$1,200 - \$1,300/NT	\$1,400 - \$1,500/NT	\$1,500 - \$1,580/NT
LINE PIPE ERW 4" BLACK	\$900 - \$1,050/NT	\$1,000 - \$1,150/NT	\$1,050 - \$1,200/NT

PRIMARY MAJOR NON-FERROUS METALS

ALUMINUM

	DECEMBER 2010	JANUARY 2011	FEBRUARY 2011	MARCH 2011 MTD
ALUMINUM NA (HIGH GRADE P1020)	\$1.0662/LB	\$1.1200/LB	\$1.1445/LB	\$1.1694/LB
MWTP (MIDWEST PREMIUM)	\$0.0650/LB	\$0.0650/LB	\$0.0650/LB	\$0.0655/LB
ALUMINUM ALLOY A380.1, LME VALUES	\$1.1075/LB	\$1.130/LB	\$1.1525/LB	\$1.2000/LB

NICKEL & COPPER

	DECEMBER 2010	JANUARY 2011	FEBRUARY 2011	MARCH 2011 MTD
NICKEL, LME VALUES	\$10.9367/LB	\$11.1670/LB	\$12.6127/LB	\$13.0862/LB
COPPER HIGH GRADE A, LME VALUES	\$4.1491/LB	\$4.3172/LB	\$4.5044/LB	\$4.5223/LB

METALS REFERENCE SHEET

STAINLESS STEEL FLAT ROLLED SHEET COIL VALUES

(Product prices using current average distributor discount)

"0.044" X 48/60' WIDE X COIL	DECEMBER 2010 DELIVERY	JANUARY 2011 DELIVERY	FEBRUARY 2011 DELIVERY	MARCH 2011 DELIVERY
T304*	\$1.7445/LB	\$1.7151/LB	\$1.7782/LB	\$1.8656/LB
T316/316L*	\$2.4061/LB	\$2.3857/LB	\$2.4652/LB	\$2.5916/LB

*The above changes in product prices are driven by changes in monthly elemental metallic surcharges. These are most heavily impacted by changes in nickel values but result from the combined impact of nickel, chrome, molybdenum, titanium, ferrous scraps, and energy (natural gas). Surcharges are established from the monthly averages of the elements two months prior to the affected month.

SURCHARGES (FROM NORTH AMERICAN STAINLESS)

	DECEMBER 2010	JANUARY 2011	FEBRUARY 2011	MARCH 2011
T304/304L	\$1.1281/LB	\$1.0991/LB	\$1.1622/LB	\$1.2496/LB
T316/316L	\$1.6076/LB	\$1.5877/LB	\$1.6672/LB	\$1.7936/LB