



February 12, 2010

## **March 2010 Scrap Surcharge Announcement**

To You, Our Valued Customer:

Effective with shipments January 1, 2007 the scrap surcharge will be calculated monthly using a base of \$115.00/ton. It will be based on the average price for # 1 bundles as published in the AMM on the 10<sup>th</sup> of each month for Chicago, Cleveland, and Pittsburgh.

As of February 11, 2010 the three-city average for No. 1 Bundles was \$398.33/ton. Using our revised method the March 2010 scrap surcharge for SBQ product is \$283.33/ton (\$14.17/cwt). This represents an increase of \$11.66/ton compared to February.

We appreciate your business and continued support.

Sincerely,

Jeff Cordill  
Sales & Marketing Manager



February 12, 2010

## March 2010 Alloy Surcharge Announcement

Effective March 1, 2010, alloy surcharges on Ferromolybdenum, Nickel, LC & HC ferrochrome, HC ferromanganese and Ferrovanadium are outlined as follows. Alloy surcharges will be calculated monthly and charged as a separate line item to each invoice based on the steel grade.

- The base cost or trigger point for Ferromolybdenum is \$4.00/lb, Nickel is \$3.50/lb, Ferrovanadium is \$6.00/lb, HC Ferrochrome is \$0.50/LB, LC ferrochrome is \$0.75/lb, and HC ferromanganese \$0.40/lb.
- The yield factor is 85% on Ferromolybdenum, Nickel, Ferrovanadium, and HC ferromanganese, 70% on Ferrochrome.
- The source of the current market price for Ferromolybdenum, Ferrovanadium, Ferrochrome, and HC Ferromanganese is the mid-point in the range of Ryan's Notes, as published on the 10<sup>th</sup> of the preceding month.
- The source of the market price of nickel is the London Metal Exchange average cash buyer average for the first ten days of the preceding month.
- The alloy surcharges are calculated by using these published prices, less the base cost, divided by the yield factor, then multiplied by the mid-point of the alloy bearing grade range. This cwt surcharge is then converted to a price per ton.
- The HC Ferromanganese surcharge is based on the minimum weight addition for all grades.

	*LC ferrochrome	HC ferrochrome	Ferro molybdenum	Nickel	Ferro vanadium	HC ferromanganese
February 9 <sup>th</sup> Index Value	\$2.10	\$1.17	\$17.63	\$8.06	\$12.65	\$0.75
Base Value	\$0.75	\$0.50	\$4.00	\$3.50	\$6.00	\$0.40
Yield Factor	70%	70%	85%	85%	85%	85%
March 2010 Surcharge/lb.	\$1.93	\$0.96	\$16.04	\$5.36	\$7.82	\$0.19cwt

The calculations shown refer only to standard AISI grades and should be used as a guideline only. Actual surcharges will be based on individual specifications and their respective alloy content.

**To address the volatility and unprecedented costs associated with Ferrochrome, Ferromolybdenum, Nickel, Ferrovanadium and HC ferromanganese, effective July 1, 2007 we will review alloy surcharges on the 10<sup>th</sup> of each month for prompt orders. Prompt orders are defined as orders received and acknowledged after the 10<sup>th</sup> of the month to be produced and shipped in the current month. A deviation greater than 5% from our published index values, for the month, will result in applying the new surcharge value for the balance of the month.**

**\*LC ferrochrome is specified for certain Melt Grades and will be priced accordingly.**

## Alloy Surcharge Rates as of 03/01/2010

Grade	Alloy	Nominal Value	Surcharge CWT	Total CWT
1033V	Ferrovandium	.125	\$0.98	<b>\$0.98</b>
10V45	Ferrovandium	.100	\$0.78	<b>\$0.78</b>
10V45 RES10172	Ferrovandium	.150	\$1.17	<b>\$1.17</b>
11V41	Ferrovandium	.100	\$0.78	<b>\$0.78</b>
13%Cr/420 Mod	Ferrovandium LC	13.250	\$25.57	<b>\$25.57</b>
1518-7	Ferrovandium	.075	\$0.59	<b>\$0.59</b>
1590 UHC	Ferrovandium HC	.280	\$0.27	<b>\$0.27</b>
15B29 Mod	Ferromolybdenum	.150	\$2.41	<b>\$2.41</b>
15V16	Ferrovandium	.085	\$0.66	<b>\$0.66</b>
15V16 LF6	Ferrovandium	.085	\$0.66	<b>\$0.66</b>
15V24	Ferrovandium	.075	\$0.59	<b>\$0.59</b>
15V27M	Ferrovandium	.075	\$0.59	<b>\$0.59</b>
15V30	Ferrovandium	.135	\$1.06	<b>\$1.06</b>
15V38M	Ferrovandium	.090	\$0.70	<b>\$0.70</b>
16MnCrS5	Ferrovandium HC	1.050	\$1.01	<b>\$1.01</b>
17MnV7	Ferrovandium	.120	\$0.94	<b>\$0.94</b>
1E1371	Ferromolybdenum Ferrovandium Ferrovandium HC	.350 .095 1.800	\$5.61 \$0.74 \$1.73	<b>\$8.08</b>
20MNCR5	Ferrovandium HC	1.200	\$1.15	<b>\$1.15</b>
25MoCr4	Ferromolybdenum Ferrovandium HC	.440 .900	\$7.06 \$0.86	<b>\$7.92</b>
25MoCr4 Ver 50	Ferromolybdenum Ferrovandium HC	.425 .870	\$6.82 \$0.84	<b>\$7.66</b>
30MnVS6	Ferrovandium	.115	\$0.90	<b>\$0.90</b>
35MnVS4	Ferrovandium Ferrovandium HC	.200 .150	\$1.56 \$0.14	<b>\$1.70</b>
38MnSiVS5	Ferrovandium	.110	\$0.86	<b>\$0.86</b>

## Alloy Surcharge Rates as of 03/01/2010

Grade	Alloy	Nominal Value	Surcharge CWT	Total CWT
38MnVS6	Ferovanadium	.110	\$0.86	<b>\$0.86</b>
4027	Ferromolybdenum	.260	\$4.17	<b>\$4.17</b>
40BV40 Mod	Ferromolybdenum	.355	\$5.69	<b>\$6.47</b>
	Ferovanadium	.100	\$0.78	
4118	Ferromolybdenum	.115	\$1.84	<b>\$2.32</b>
	Ferrochromium HC	.500	\$0.48	
4120	Ferromolybdenum	.170	\$2.73	<b>\$3.23</b>
	Ferrochromium HC	.520	\$0.50	
4120RH QL4	Ferromolybdenum	.170	\$2.73	<b>\$3.23</b>
	Ferrochromium HC	.520	\$0.50	
4122M 1E0778	Ferromolybdenum	.275	\$4.41	<b>\$5.11</b>
	Ferrochromium HC	.725	\$0.70	
4122M 1E1054	Ferromolybdenum	.325	\$5.21	<b>\$6.10</b>
	Ferrochromium HC	.925	\$0.89	
4124 M	Ferromolybdenum	.400	\$6.42	<b>\$8.50</b>
	Nickel	.205	\$1.10	
	Ferrochromium HC	1.025	\$0.98	
4124M	Ferromolybdenum	.170	\$2.73	<b>\$3.35</b>
	Ferrochromium HC	.650	\$0.62	
4124M B222	Ferromolybdenum	.170	\$2.73	<b>\$3.35</b>
	Ferrochromium HC	.650	\$0.62	
4129M	Ferromolybdenum	.300	\$4.81	<b>\$5.96</b>
	Ferrochromium HC	1.200	\$1.15	
4130	Ferromolybdenum	.200	\$3.21	<b>\$4.12</b>
	Ferrochromium HC	.950	\$0.91	
4130 Mod	Ferromolybdenum	.650	\$10.43	<b>\$11.39</b>
	Ferrochromium HC	1.000	\$0.96	
4130 TW051592	Ferromolybdenum	.220	\$3.53	<b>\$4.49</b>
	Ferrochromium HC	1.000	\$0.96	
4130-9/4130M	Ferromolybdenum	.225	\$3.61	<b>\$5.64</b>
	Nickel	.200	\$1.07	
	Ferrochromium HC	1.000	\$0.96	
4130M TW032808	Ferromolybdenum	.220	\$3.53	<b>\$5.01</b>
	Ferovanadium	.060	\$0.47	
	Ferrochromium HC	1.050	\$1.01	
4130M TW061206	Ferromolybdenum	.275	\$4.41	
	Ferovanadium	.040	\$0.31	

## Alloy Surcharge Rates as of 03/01/2010

Grade	Alloy	Nominal Value	Surcharge CWT	Total CWT
4130M TW061206	Ferrochromium HC	1.100	\$1.06	<b>\$5.78</b>
4130U	Ferromolybdenum	.225	\$3.61	<b>\$4.52</b>
	Ferrochromium HC	.950	\$0.91	
4132 MS362	Ferromolybdenum	.650	\$10.43	<b>\$11.63</b>
	Ferrochromium HC	1.250	\$1.20	
4135	Ferromolybdenum	.315	\$5.05	<b>\$6.11</b>
	Ferrochromium HC	1.100	\$1.06	
4135 B73	Ferromolybdenum	.200	\$3.21	<b>\$4.17</b>
	Ferrochromium HC	1.000	\$0.96	
4135H Mod	Ferromolybdenum	.315	\$5.05	<b>\$6.11</b>
	Ferrochromium HC	1.100	\$1.06	
4137	Ferromolybdenum	.200	\$3.21	<b>\$4.12</b>
	Ferrochromium HC	.950	\$0.91	
4137 M	Ferromolybdenum	.275	\$4.41	<b>\$5.47</b>
	Ferrochromium HC	1.100	\$1.06	
4137 MS303	Ferromolybdenum	.300	\$4.81	<b>\$5.87</b>
	Ferrochromium HC	1.100	\$1.06	
4137 Mod	Ferromolybdenum	.325	\$5.21	<b>\$6.29</b>
	Ferrochromium HC	1.125	\$1.08	
4137M 341	Ferromolybdenum	.300	\$4.81	<b>\$5.82</b>
	Ferrochromium HC	1.050	\$1.01	
4137M MS364	Ferromolybdenum	.300	\$4.81	<b>\$5.87</b>
	Ferrochromium HC	1.100	\$1.06	
4140	Ferromolybdenum	.200	\$3.21	<b>\$4.12</b>
	Ferrochromium HC	.950	\$0.91	
4140 A1	Ferromolybdenum	.200	\$3.21	<b>\$4.12</b>
	Ferrochromium HC	.950	\$0.91	
4140 M	Ferromolybdenum	.200	\$3.21	<b>\$5.62</b>
	Nickel	.350	\$1.88	
	Ferrochromium HC	.550	\$0.53	
4140/4142	Ferromolybdenum	.200	\$3.21	<b>\$4.12</b>
	Ferrochromium HC	.950	\$0.91	
4145M 346	Ferromolybdenum	.310	\$4.97	<b>\$6.03</b>
	Ferrochromium HC	1.100	\$1.06	
4150	Ferromolybdenum	.200	\$3.21	<b>\$4.12</b>
	Ferrochromium HC	.950	\$0.91	
4161/4161H	Ferromolybdenum	.300	\$4.81	

## Alloy Surcharge Rates as of 03/01/2010

Grade	Alloy	Nominal Value	Surcharge CWT	Total CWT
4161/4161H	Ferrochromium HC	.800	\$0.77	<b>\$5.58</b>
4164M	Ferromolybdenum	.080	\$1.28	
	Ferovanadium	.065	\$0.51	
	Ferrochromium HC	.950	\$0.91	<b>\$2.70</b>
41B30M	Ferromolybdenum	.160	\$2.57	
	Ferrochromium HC	.550	\$0.53	<b>\$3.10</b>
41B30M 1E0997	Ferromolybdenum	.170	\$2.73	
	Ferrochromium HC	.525	\$0.50	<b>\$3.23</b>
41B30M 1E1671	Ferromolybdenum	.170	\$2.73	
	Ferrochromium HC	.525	\$0.50	<b>\$3.23</b>
41B33M 1E4415	Ferromolybdenum	.165	\$2.65	
	Ferrochromium HC	.525	\$0.50	<b>\$3.15</b>
41B35M 1E1013	Ferromolybdenum	.075	\$1.20	
	Ferrochromium HC	.500	\$0.48	<b>\$1.68</b>
42CrMo4	Ferromolybdenum	.200	\$3.21	
	Ferrochromium HC	1.100	\$1.06	<b>\$4.27</b>
42CrMo4 Ver10	Ferromolybdenum	.175	\$2.81	
	Ferrochromium HC	1.100	\$1.06	<b>\$3.87</b>
42CrMoS4	Ferromolybdenum	.200	\$3.21	
	Ferrochromium HC	1.050	\$1.01	<b>\$4.22</b>
4317M2	Ferromolybdenum	.725	\$11.63	
	Nickel	1.725	\$9.25	
	Ferrochromium HC	.525	\$0.50	<b>\$21.38</b>
4320	Ferromolybdenum	.250	\$4.01	
	Nickel	1.825	\$9.78	
	Ferrochromium HC	.500	\$0.48	<b>\$14.27</b>
4320 QL3	Ferromolybdenum	.250	\$4.01	
	Nickel	1.825	\$9.78	
	Ferrochromium HC	.500	\$0.48	<b>\$14.27</b>
4330V	Ferromolybdenum	.430	\$6.90	
	Nickel	1.825	\$9.78	
	Ferovanadium	.075	\$0.59	
	Ferrochromium HC	.870	\$0.84	<b>\$18.11</b>
4340	Ferromolybdenum	.250	\$4.01	
	Nickel	1.825	\$9.78	
	Ferrochromium HC	.800	\$0.77	<b>\$14.56</b>
43V30 Mod	Ferromolybdenum	.470	\$7.54	
	Nickel	2.350	\$12.60	
	Ferovanadium	.090	\$0.70	
	Ferrochromium HC	.950	\$0.91	<b>\$21.75</b>

## Alloy Surcharge Rates as of 03/01/2010

Grade	Alloy	Nominal Value	Surcharge CWT	Total CWT
4625 IR458	Ferromolybdenum	.400	\$6.42	
	Nickel	1.825	\$9.78	
	Ferrochromium HC	.300	\$0.29	<b>\$16.49</b>
4715	Ferromolybdenum	.520	\$8.34	
	Nickel	.850	\$4.56	
	Ferrochromium HC	.550	\$0.53	<b>\$13.43</b>
4815H	Ferromolybdenum	.250	\$4.01	
	Nickel	3.450	\$18.49	<b>\$22.50</b>
4817RH	Ferromolybdenum	.250	\$4.01	
	Nickel	3.500	\$18.76	<b>\$22.77</b>
50B35 1E1201	Ferrochromium HC	.450	\$0.43	<b>\$0.43</b>
5120	Ferrochromium HC	.800	\$0.77	<b>\$0.77</b>
5125RH	Ferrochromium HC	1.100	\$1.06	<b>\$1.06</b>
5130-4	Ferrochromium HC	.950	\$0.91	<b>\$0.91</b>
5130/5130H	Ferrochromium HC	.950	\$0.91	<b>\$0.91</b>
5140	Ferrochromium HC	.800	\$0.77	<b>\$0.77</b>
5160	Ferrochromium HC	.875	\$0.84	<b>\$0.84</b>
5160H	Ferrochromium HC	.875	\$0.84	<b>\$0.84</b>
5160H Mod	Ferrochromium HC	.950	\$0.91	<b>\$0.91</b>
52100	Ferrochromium HC	1.450	\$1.39	<b>\$1.39</b>
58CrMoV4	Ferromolybdenum	.175	\$2.81	
	Ferrovandium	.125	\$0.98	
	Ferrochromium HC	.970	\$0.93	<b>\$4.72</b>
6330	Ferromolybdenum	.500	\$8.02	
	Ferrovandium	.250	\$1.96	
	Ferrochromium HC	1.350	\$1.30	<b>\$11.28</b>
8617	Ferromolybdenum	.200	\$3.21	
	Nickel	.550	\$2.95	
	Ferrochromium HC	.500	\$0.48	<b>\$6.64</b>
8620	Ferromolybdenum	.200	\$3.21	
	Nickel	.550	\$2.95	
	Ferrochromium HC	.500	\$0.48	<b>\$6.64</b>
8620 1E2743	Ferromolybdenum	.200	\$3.21	
	Nickel	.550	\$2.95	
	Ferrochromium HC	.500	\$0.48	<b>\$6.64</b>

## Alloy Surcharge Rates as of 03/01/2010

Grade	Alloy	Nominal Value	Surcharge CWT	Total CWT
<b>8620M B81</b>	Ferromolybdenum	.220	\$3.53	
	Nickel	.630	\$3.38	
	Ferrochromium HC	.550	\$0.53	<b>\$7.44</b>
<b>8622RH</b>	Ferromolybdenum	.200	\$3.21	
	Nickel	.550	\$2.95	
	Ferrochromium HC	.550	\$0.53	<b>\$6.69</b>
<b>8630</b>	Ferromolybdenum	.200	\$3.21	
	Nickel	.550	\$2.95	
	Ferrochromium HC	.500	\$0.48	<b>\$6.64</b>
<b>8637</b>	Ferromolybdenum	.200	\$3.21	
	Nickel	.550	\$2.95	
	Ferrochromium HC	.500	\$0.48	<b>\$6.64</b>
<b>8637RC</b>	Ferromolybdenum	.200	\$3.21	
	Nickel	.550	\$2.95	
	Ferrochromium HC	.500	\$0.48	<b>\$6.64</b>
<b>8640</b>	Ferromolybdenum	.200	\$3.21	
	Nickel	.550	\$2.95	
	Ferrochromium HC	.500	\$0.48	<b>\$6.64</b>
<b>86B20H</b>	Ferromolybdenum	.200	\$3.21	
	Nickel	.550	\$2.95	
	Ferrochromium HC	.525	\$0.50	<b>\$6.66</b>
<b>8720</b>	Ferromolybdenum	.250	\$4.01	
	Nickel	.550	\$2.95	
	Ferrochromium HC	.500	\$0.48	<b>\$7.44</b>
<b>8822H</b>	Ferromolybdenum	.350	\$5.61	
	Nickel	.500	\$2.68	
	Ferrochromium HC	.500	\$0.48	<b>\$8.77</b>
<b>8822H B79-1</b>	Ferromolybdenum	.350	\$5.61	
	Nickel	.500	\$2.68	
	Ferrochromium HC	.530	\$0.51	<b>\$8.80</b>
<b>9315H</b>	Ferromolybdenum	.115	\$1.84	
	Nickel	3.325	\$17.82	
	Ferrochromium LC	1.275	\$2.46	<b>\$22.12</b>
<b>9350</b>	Ferromolybdenum	.115	\$1.84	
	Nickel	3.250	\$17.42	
	Ferrovandium	.045	\$0.35	
	Ferrochromium HC	1.250	\$1.20	<b>\$20.81</b>
<b>A572 58Y</b>	Ferrovandium	.085	\$0.66	<b>\$0.66</b>
<b>A572M Gr 60</b>	Ferrovandium	.090	\$0.70	<b>\$0.70</b>
<b>A992 6V10</b>	Ferrovandium	.015	\$0.12	<b>\$0.12</b>

## Alloy Surcharge Rates as of 03/01/2010

Grade	Alloy	Nominal Value	Surcharge CWT	Total CWT
A992 7V10	Ferrovandium	.015	\$0.12	<b>\$0.12</b>
A992 8V10	Ferrovandium	.015	\$0.12	<b>\$0.12</b>
A992 9V10	Ferrovandium	.015	\$0.12	<b>\$0.12</b>
A992 P1	Ferrovandium	.015	\$0.12	<b>\$0.12</b>
A992 P2	Ferrovandium	.015	\$0.12	<b>\$0.12</b>
A992 P3	Ferrovandium	.015	\$0.12	<b>\$0.12</b>
ETN-22	Ferromolybdenum Ferrochromium HC	.150 .500	\$2.41 \$0.48	<b>\$2.89</b>
EX15 QL3	Ferromolybdenum Ferrochromium HC	.170 .500	\$2.73 \$0.48	<b>\$3.21</b>
EX16	Ferromolybdenum Ferrochromium HC	.170 .500	\$2.73 \$0.48	<b>\$3.21</b>
EX55H	Ferromolybdenum Nickel Ferrochromium HC	.740 1.830 .680	\$11.87 \$9.81 \$0.65	<b>\$22.33</b>
F91	Ferromolybdenum Ferrovandium Ferrochromium LC	.950 .215 8.800	\$15.24 \$1.68 \$16.98	<b>\$33.90</b>
Grade 620	Ferrovandium	.085	\$0.66	<b>\$0.66</b>
PS16RH	Ferromolybdenum Ferrochromium HC	.170 .500	\$2.73 \$0.48	<b>\$3.21</b>
PS17	Ferromolybdenum Ferrochromium HC	.170 .500	\$2.73 \$0.48	<b>\$3.21</b>
PS17 RH	Ferromolybdenum Ferrochromium HC	.170 .500	\$2.73 \$0.48	<b>\$3.21</b>
PS18RH	Ferromolybdenum Ferrochromium HC	.170 .525	\$2.73 \$0.50	<b>\$3.23</b>
SCM420H	Ferromolybdenum Ferrochromium HC	.200 1.120	\$3.21 \$1.08	<b>\$4.29</b>
T11 A213	Ferromolybdenum Ferrochromium LC	.550 1.250	\$8.82 \$2.41	<b>\$11.23</b>
T12 A213	Ferromolybdenum Ferrochromium LC	.550 1.030	\$8.82 \$1.99	<b>\$10.81</b>
T1A	Ferromolybdenum	.550	\$8.82	<b>\$8.82</b>

## Alloy Surcharge Rates as of 03/01/2010

Grade	Alloy	Nominal Value	Surcharge CWT	Total CWT
<b>T2</b>	Ferromolybdenum	.560	\$8.98	<b>\$9.60</b>
	Ferchromium HC	.650	\$0.62	
<b>T22 A213</b>	Ferromolybdenum	1.000	\$16.04	<b>\$20.38</b>
	Ferchromium LC	2.250	\$4.34	
<b>T5 A213</b>	Ferromolybdenum	.545	\$8.74	<b>\$18.39</b>
	Ferchromium LC	5.000	\$9.65	
<b>T9 A213</b>	Ferromolybdenum	1.000	\$16.04	<b>\$33.41</b>
	Ferchromium LC	9.000	\$17.37	
<b>T91 A213</b>	Ferromolybdenum	.950	\$15.24	<b>\$33.90</b>
	Ferovanadium	.215	\$1.68	
	Ferchromium LC	8.800	\$16.98	