

# GREAT AMERICAN GROUP ADVISORY & VALUATION SERVICES

**Metals Monitor**  
**February 2012**

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**Introduction**

Welcome to the February 2012 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**



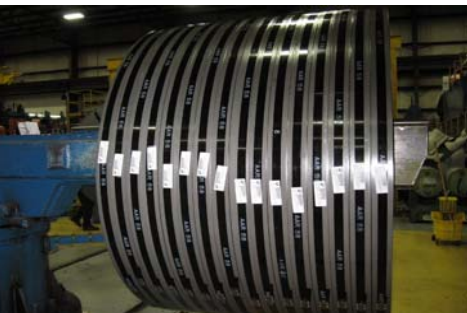
<b>NOLVs</b>	<b>Decreasing</b>
<b>Sales Trends</b>	<b>Increasing</b>
<b>Gross Margin</b>	<b>Decreasing</b>
<b>Inventory</b>	<b>Increasing</b>
<b>Recent Pricing</b>	<b>Increasing</b>

Net orderly liquidation value (“NOLV”) changes for specific categories and companies varied based on market price and other factors. GA has presented observations regarding some of the recent trends in NOLVs, but recognizes these should not be generalized to all companies.

For appraisals in the last three months, NOLVs generally decreased versus the prior year, when NOLVs were buoyed by rising market prices. NOLVs for one of the January 2012 collateral appraisals increased one to three percentage points versus the prior year due to a shift in product mix and the sell-through of higher-cost products at increased selling prices. The other collateral appraisal exhibited an NOLV decrease of one to three percentage points due to a decline in pricing for certain scrap metals in relation to cost.

Year-over-year sales trends were up due to higher overall demand. Gross margins for the recent collateral appraisals were down due to declines for certain scrap metals as of the late 2011 inventory date, as well as inventory write-downs. Inventory levels were up, as companies began to adjust inventory levels to match increased customer demand and take advantage of lower-priced inventory in the summer and early fall of 2011.

In February 2012, steel prices continued to increase, but pricing remains uncertain in light of recent disappointing economic data from the U.S. and China. Base metal prices were pushed up by the Federal Reserve’s recent commitment to maintain low U.S. interest rates, as well as supply issues for certain metals, but remain subject to fluctuations.



# ABOUT GREAT AMERICAN GROUP

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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 such as the *Food Monitor*, *Auto Parts/Oil and Gas Monitor*, *Building Materials Monitor*, *Textiles and Apparel Monitor*, and *Chemicals, Plastics, and Packaging Monitor*, among others.

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## EXPERIENCE

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GA has worked with and appraised a number of companies within the metals industry, including industry leaders in steel and aluminum production and processing. GA's extensive record of metals inventory valuations also features appraisals for companies throughout the entire metal supply chain, including 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.

In **January 2012**, GA performed the following initial and collateral update appraisals:

- An initial appraisal of a supplier and processor of flat rolled steel, including hot and cold rolled, pickled, aluminized, galvanized, stainless, and high-strength steel, with annual revenues over \$750 million;
- An initial appraisal of a manufacturer and distributor of civil engineering site products that maintains raw materials including steel pipe and coils, with annual revenues over \$550 million;
- An initial appraisal of a supplier of hot rolled, cold rolled, and galvanized steel products, with annual revenues over \$100 million;
- An initial appraisal of a fabricator and distributor of architectural glass and aluminum products that maintains raw materials including aluminum extrusions, with annual revenues over \$50 million;
- A collateral appraisal of a distributor of processed coil sheet steel, with annual revenues over \$40 million; and
- A collateral appraisal of a processor and recycler of ferrous and non-ferrous scrap metal, with annual revenues over \$650 million.

Our clients also 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 over 50 locations across the U.S., with \$2.6 billion in annual sales and over \$500 million in inventory.

GA additionally 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.

Moreover, GA has 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, Valley Brass Foundry, and Southline Steel. 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

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Despite solid steel market performance in early 2012, the global steel outlook for 2012 overall has been revised downward from the initial forecast by the World Steel Association, as steel demand will slow due to lower economic growth in China. According to Bloomberg L.P., global steel use will increase 4.5% in 2012, which was revised downward from the initial forecast of 5.4%. In addition, steel prices are expected to drop, with calculations by *Steel Business Briefing* predicting that benchmark hot rolled coil prices will average 5% lower in 2012 at \$734 per net ton versus \$772 per net ton in 2011.

“It’s going to be a year of lower profits for most steel companies,” said Peter Marcus, managing partner at World Steel Dynamics.

The anticipated slowdown in the steel market is attributed to economic conditions in China, a major consumer of steel. In 2012, economic growth in China is expected to decrease 8.5% versus last year, as China’s orders remain weak. In addition, Chinese steel production, which represented nearly 46% of total global steel production in 2011, fell in each of the six months through November 2011 before rising in December.

“Unless China loosens its tightening on the private property sector, it will be hard for steel demand to grow at last year’s estimated growth rate of 8.5%,” said Helen Lau of UOB Kay.

Growth in steel demand will also be tempered by weak European economies. Orders for steel products for uses such as homes, cars, and machinery have declined in light of Europe’s budget deficits and debt crisis.

# OVERVIEW

## AUTOMOTIVE

The automotive industry is a significant consumer of steel. In January 2012, U.S. automotive sales continued to increase, driven by pent-up demand, new products, lower interest rates, and improved loan availability. Sales of cars and trucks climbed 11% in January, reaching the highest sales rate since the Cash for Clunkers program in August 2009, and since May 2008 before the recession.

Of Detroit's Big Three automakers, Chrysler Group LLC demonstrated the most notable performance, with a 44% increase in sales in January, driven by gains for its Jeep brand. Ford Motor Company posted a 7% sales increase, which was due to a 60% rise in sales of the Focus car. General Motors Company, however, reported a slight sales decrease of 6%.

## MANUFACTURING

The Institute for Supply Management's ("ISM") purchasing managers index ("PMI"), an indicator of manufacturing, increased 1.0 point from the December 2011 reading of 53.1 to a January 2012 reading of 54.1. The ISM's calculation of the PMI reflects newly released seasonal adjustment factors.

Readings greater than 50 signify growth in the manufacturing economy, while readings below 50 denote contraction. In addition, readings greater than 42.6 over a period of time denote expansion in the overall economy. Thus, the PMI reflected expansion in the manufacturing sector for the 30<sup>th</sup> consecutive month, as well as economic growth for the 32<sup>nd</sup> consecutive month.

According to Bradley Holcomb, chair of the ISM, "The past relationship between the PMI and the overall economy indicates that the PMI for January (54.1) corresponds to a 3.9% in real GDP on an annualized basis."

The following table reveals the monthly PMI trend, which reflects newly released seasonal adjustment factors:

Month	PMI
January 2012	54.1
December 2011	53.1
November 2011	52.2
October 2011	51.8
September 2011	52.5
August 2011	52.5
July 2011	51.4
June 2011	55.8
May 2011	54.2
April 2011	59.7
March 2011	59.7
February 2011	59.8

## ENERGY

The energy market is a large consumer of metals used for pipelines and oil rigs. The Baker Hughes Rig Count represents 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 U.S. energy sector weakened with a lower rig count week-over-week, but continued to exhibit strong growth on a year-over-year basis. The U.S. rig count decreased by 11 land-drilling rigs versus the prior rig count but increased by 258 rigs versus the previous year. The international rig count also revealed lower week-over-week results but growth versus the last year, while the Canadian rig count increased on both a week-over-week and year-over-year basis.

	United States	Canada	International
Date of Recent Rig Count	February 3, 2012	February 3, 2012	December 2011
Count	1,997	710	1,180
Date of Prior Rig Count	January 27, 2012	January 27, 2012	November 2011
Change From Prior Count	(11)	28	(5)
Date of Last Year's Rig Count	February 6, 2011	February 6, 2011	December 2010
Change From Last Year's Count	258	84	62

## RECENT APPRAISAL TRENDS

Steel market prices generally increased in early 2012; however, steel demand is expected to slow overall in 2012 due to lower economic growth in China. Base metal prices recently climbed amidst the Federal Reserve’s announcement that U.S. interest rates would be held at current lows through 2014, as well as supply issues for certain metals.

Appraisals valuing metals inventory are generally dependent on market prices, which are often driven by demand from metal-consuming industries such as the automotive, oil drilling, and industrial sectors. In January 2012, U.S. auto sales increased, the domestic energy sector continued to demonstrate growth on a year-over-year basis, and the rate of growth in manufacturing activity increased.

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.

In January 2012, GA performed collateral appraisals of a distributor of processed coil sheet steel, which demonstrated a 12-month year-over-year sales increase of 40% to 60%, as well as a processor and recycler of ferrous and non-ferrous scrap metal, which posted an increase of 15% to 25%. The overall sales increases were driven by higher demand from customers versus the prior year, particularly from automotive customers. The coil sheet distributor also posted a strong recent sales increase, while the metal processor/recycler reported a slight decline in recent sales due to price declines for certain scrap metals.

Gross margins for the collateral appraisals decreased due to pricing declines for certain scrap metals as of the late 2011 inventory date, or inventory write-downs.

One of the January collateral appraisals demonstrated an NOLV increase of one to three percentage points versus the prior year due to a shift in product mix and the sell-through of higher-cost products at increased selling prices. The other collateral appraisal exhibited an NOLV decrease of one to three percentage points due to a decline in pricing for certain scrap metals in relation to cost.

As with all commodity-based deals, the gross recovery rates are based on discounts from market pricing. Specialized grades, sizes, and forms of metals with limited distribution channels typically require increased discounts off market price, or may be sold at scrap market value.

GA recognizes recovery values for each company are unique based on costing, gross margin trends, inventory mix and levels, and other factors. 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 and copper warehouse stocks.	LME aluminum and copper warehouse stock levels provide a global look at aluminum and copper availability. An increase in these stocks with relatively stable demand could result in downward pricing pressure, while a depletion in these stocks could result in higher pricing.
Monitor automotive, energy, and commercial/industrial building markets.	As these markets are large consumers of metal products, the health of these industries is vital for the U.S. metals industry. An increase in demand for products in these markets entails greater demand for metals.

# CARBON STEEL

## SCRAP

Ferrous scrap prices based on prior month-end pricing reflected an increase in February 2012 following a large jump in January, when mills attempted to secure more scrap raw materials in response to higher demand for finished steel products. However, in early February certain mills reduced prices on steel scrap in anticipation of price increases in March or April, and due to the increased supply in the market caused by mild weather and higher inventories.

“A lot of people had trouble filling orders in January. At least two mills had poor shipping performance,” said an industry source. “It was due to overcapacity in shredding capacity. A lot of suppliers sold more than they could deliver. There’s too much competition for feedstock. Usually it’s a bit odd that you get a down market following a poor shipping performance. But there is supply now.”

Based on prior month-end pricing, shredded steel scrap prices average \$472.50 for February 2012, increasing from \$469.50 the previous month. However, in early February, ferrous scrap prices in the Pittsburgh and Cleveland markets fell \$30 to \$50 per gross ton, primarily prime scrap grades that maintained an oversupply. No. 1 busheling prices decreased \$50 to reach \$580 per gross ton in the Pittsburgh market, while No. 1 industrial bundle prices declined \$40 to reach \$490 per gross ton.

As of February 3, 2012, the benchmark scrap price on The Steel Index was \$446 per gross ton, falling \$23 per gross ton from the prior week.

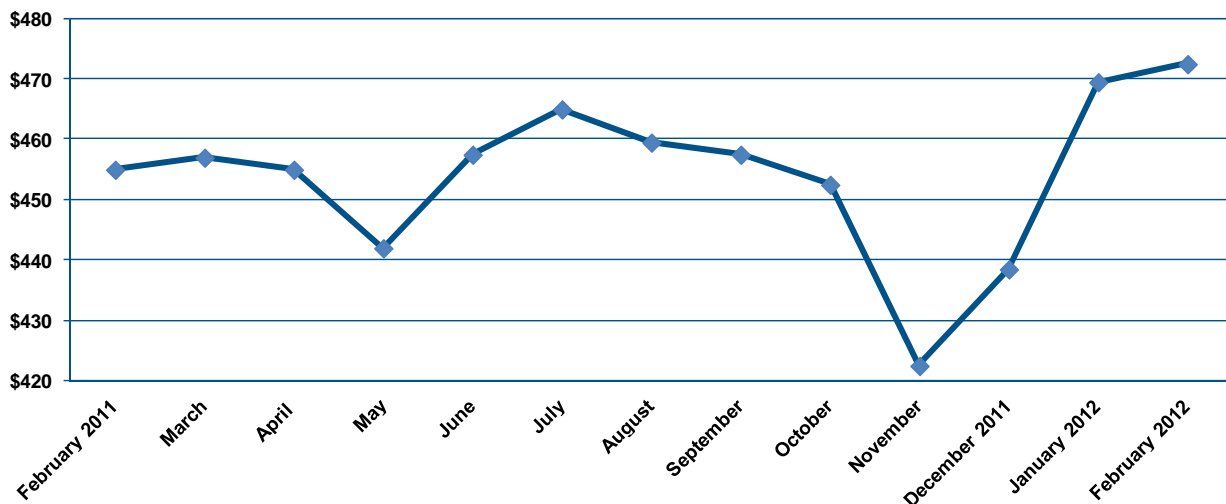
“If prices fall much lower, the shredders are going to stop taking in material because prices are now reaching a point where there is no money in it,” said a Pittsburgh broker. However, certain analysts forecast higher prices for March.

## UTILIZATION RATES

For the week ended February 4, 2012, domestic raw steel production totaled 1,907,000 net tons, according to the American Iron and Steel Institute (“AISI”). The week’s production increased 0.5% from 1,897,000 net tons the previous week ended January 28, 2012, and climbed 6.9% from 1,784,000 net tons the prior year for the week ended February 4, 2011.

The AISI also reported capability utilization reached 77.2%, increasing from 76.8% the prior week and 74.5% the previous year.

**Shredded Carbon Steel Scrap  
North America Domestic Delivered Mill  
Monthly Average Price Per Gross Ton  
February 2011 Through February 2012**



# CARBON STEEL

## UTILIZATION RATES

The following chart lists the comparative raw steel production for various time periods versus the prior year (net tons in millions):

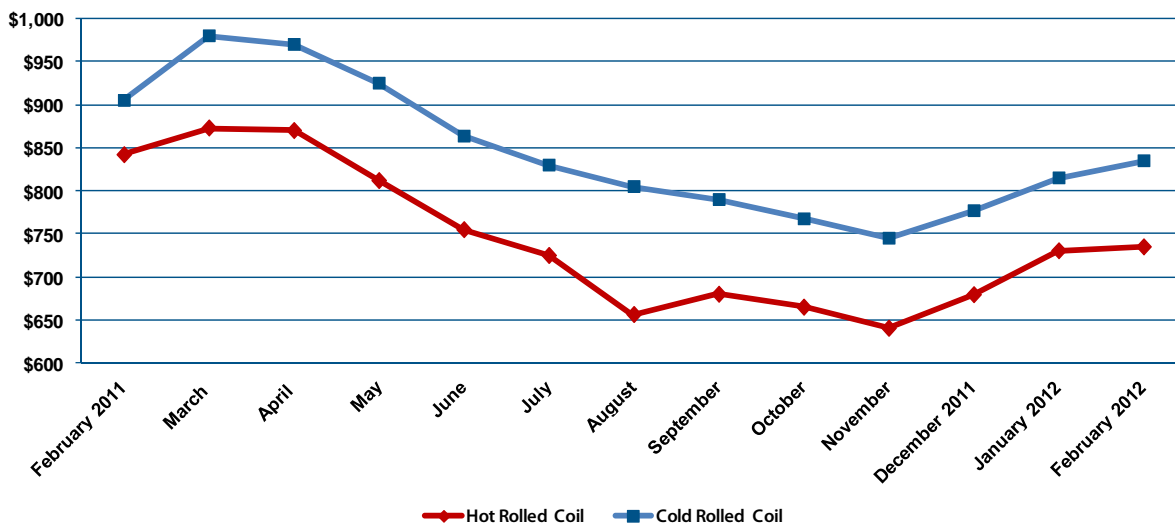
Week Ended	Production	Change vs. Prior Year
January 1, 2011	1.68	11.3%
January 29, 2011	1.78	14.8%
February 26, 2011	1.84	7.0%
April 2, 2011	1.81	2.0%
May 7, 2011	1.80	(0.4%)
May 28, 2011	1.80	(0.4%)
July 2, 2011	1.85	2.0%
July 30, 2011	1.86	10.3%
August 20, 2011	1.89	14.6%
August 27, 2011	1.86	13.0%
September 17, 2011	1.88	10.9%
October 1, 2011	1.70	4.8%
October 29, 2011	1.63	10.3%
November 26, 2011	1.65	9.9%
December 24, 2011	1.65	14.8%
<b>Year-to-Date through December 24, 2011</b>	<b>93.73</b>	<b>7.8%</b>
January 7, 2012	1.89	5.6%
January 28, 2012	1.79	6.0%
February 4, 2012	1.91	6.9%
<b>Year-to-Date through February 4, 2012</b>	<b>9.49</b>	<b>6.1%</b>

## CARBON FLAT ROLLED SHEET COIL

In February 2012, flat rolled steel prices continued their recent upward trend, based on the prior month-end pricing. *Steel Business Briefing* (“SBB”) reported that in early February, U.S. spot prices for hot rolled coil ranged from \$720 to \$750 per net ton, FOB Midwest mill, while cold rolled coil prices ranged from \$840 to \$870 per net ton. Certain industry sources believe flat rolled steel prices may decline in the near future.

Competitive prices have been offered for hot rolled coil from Eastern Europe, such as prices of \$640 to \$670 per net ton for sales to the U.S. Gulf, which remain below current U.S. spot prices. While the low import prices have garnered some interest, lead times for foreign sheet, which extend to late May or June, are too long to spur actual purchases. Domestic lead times as of the end of January were only 5.5 weeks for hot rolled coil, 7.9 weeks for cold rolled coil, and 6.2 weeks for hot-dipped galvanized coil.

**Hot Rolled Coil and Cold Rolled Coil  
North America Domestic FOB U.S. Midwest Mill  
Monthly Average Price Per Net Ton  
February 2011 Through February 2012**



# CARBON STEEL

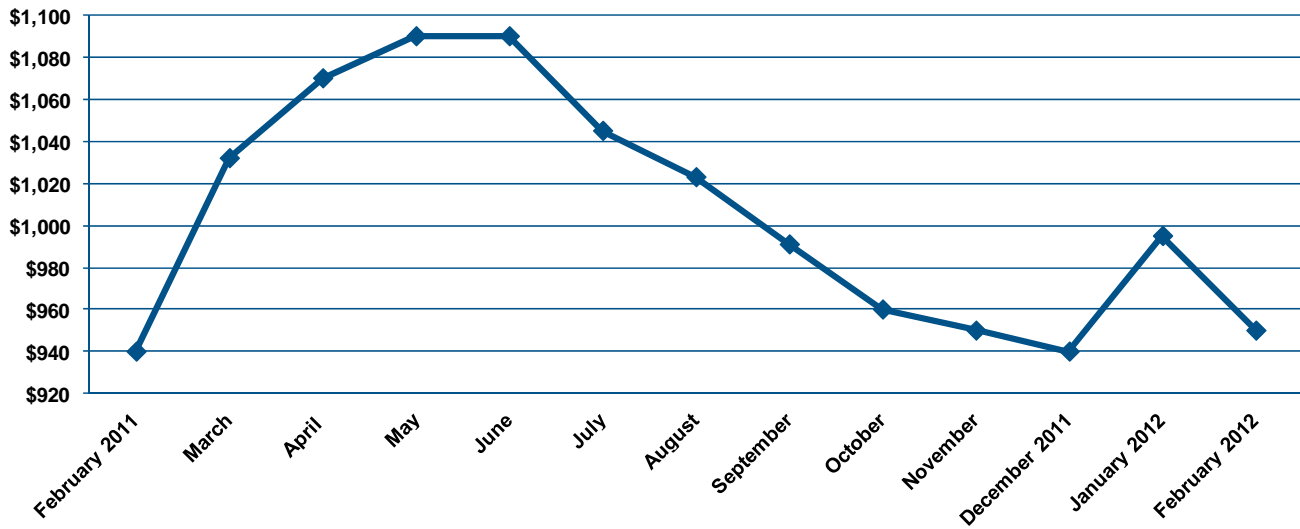
## PLATE

While plate prices increased in January 2012 as steelmakers implemented price hikes to protect their margins, plate prices drifted downward again in February based on the prior month-end pricing. Although plate demand remains strong, the recent decline in scrap costs and the risk of import penetration has caused pricing to slip. U.S. plate price increases were previously expected for shipments in March, but are no longer holding.

According to SBB, spot prices for A36 grade steel plate ranged from \$940 to \$960 per net ton, FOB mill, in early February. Future domestic pricing for plate will partially be determined based on plate imports from Turkey, Malaysia, South Korea, Brazil, and South Africa, which are expected to arrive in the first and second quarters of 2012.



**Steel Plate (A36)  
North America Domestic FOB U.S. Midwest Mill  
Monthly Average Price Per Net Ton  
February 2011 Through February 2012**



# CARBON STEEL

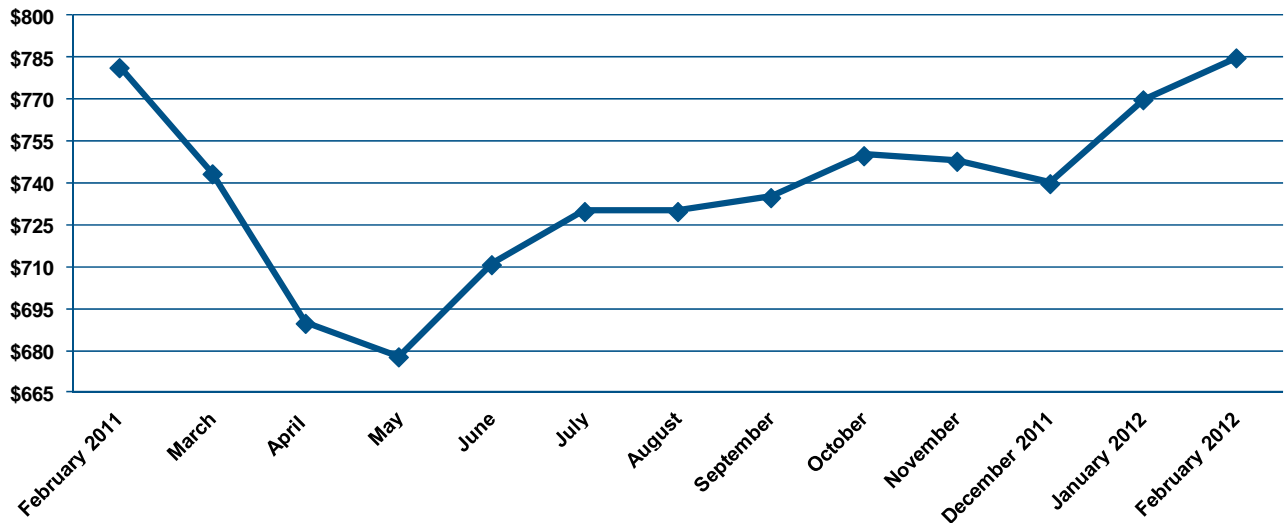
## CARBON STEEL LONG PRODUCTS

Rebar prices based on the prior month-end pricing continued to increase in February 2012 as mills producing steel long products announced price increases. However, imports and scrap prices threaten the price hikes. Certain mills announced a price increase of \$30 per net ton on structural steel and wire rod for February deliveries, while others raised rebar prices by only \$15 per net ton due to import penetration from Turkey.



According to preliminary data from U.S. Commerce Department, rebar imports from Turkey increased to 123,814 metric tons in January, while import prices fell to \$658 per metric ton. Market sources indicate that the price hikes remain in question, particularly for wide flange beams, though the modest price increase for rebar may be more likely to hold.

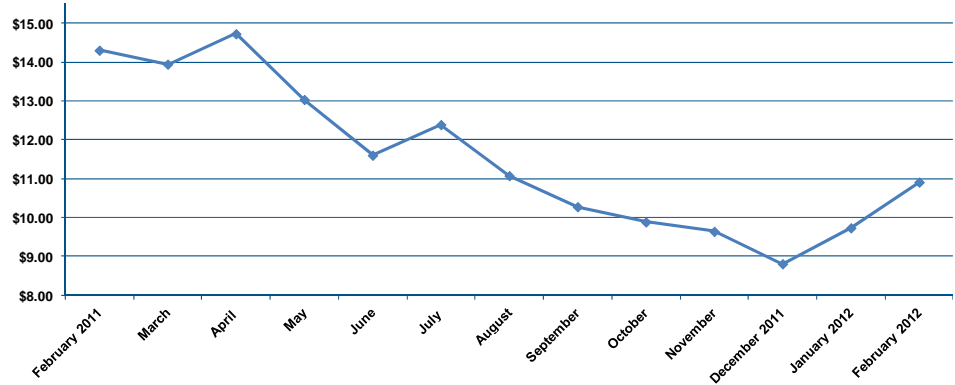
**Long Products/Rebar  
North America Domestic FOB U.S. Midwest Mill  
Monthly Average Price Per Net Ton  
February 2011 Through February 2012**



# TIN

The market price for tin on the London Metal Exchange (“LME”) averaged \$10.91 per pound for February 2012 based on the prior month-end pricing, increasing from \$9.73 per pound in January. The boost in tin pricing was driven by the Federal Reserve’s commitment to maintain low U.S. interest rates through 2014. The news incited speculation of higher demand for tin, which maintains uses in popular technological products such as cell phones and plasma screens, in addition to automobiles.

**Tin LME Monthly Average Price Per Pound  
February 2011 Through February 2012**



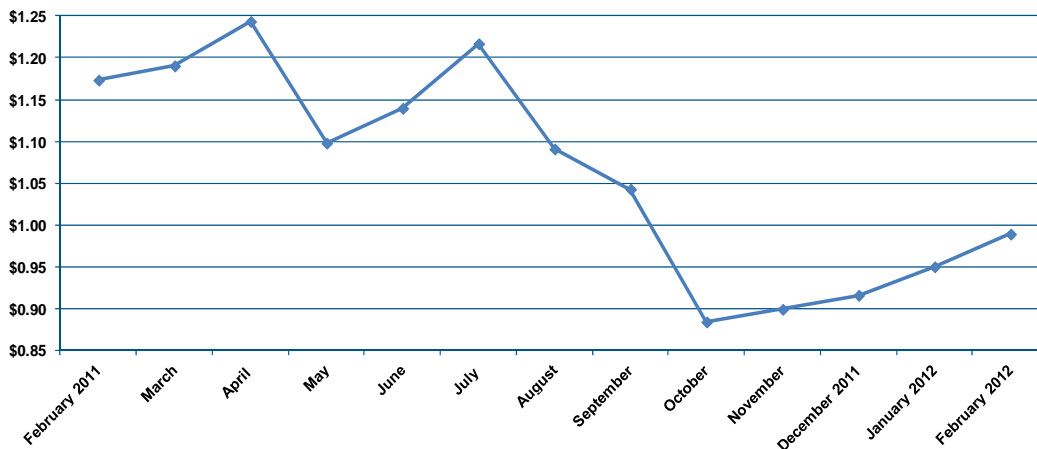
On January 26, 2012, tin prices for delivery in three months increased 6.9% to \$10.89 per pound, representing the largest rise since September 27, 2011. Thus far in 2012, tin prices climbed 25%, marking the leader of the 80 commodities. The price for tin is forecast to reach a high of \$11.79 per pound, according to Bloomberg L.P.

Indonesia, the largest tin exporter in the world, began trading a physical contract for tin in early February as an alternative to the LME benchmark. Tin prices increased 27% on the Indonesia Commodity and Derivatives Exchange.

# LEAD

The market price for lead on the LME averaged \$0.99 per pound for February 2012 based on the prior month-end pricing, increasing from \$0.95 per pound in January.

**Lead LME Monthly Average Price Per Pound  
February 2011 Through February 2012**



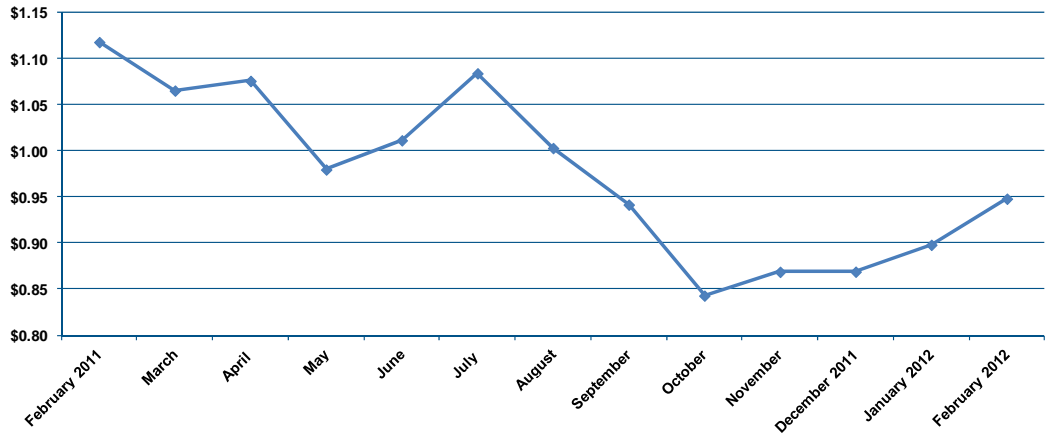
Used lead battery prices jumped in the past few weeks, rising from a range of \$0.28 to \$0.30 per pound in late December to a range of \$0.35 to \$0.40 per pound by early February. Industry sources attributed the higher prices to the spike in lead pricing on the LME.

In addition, unusually mild winter weather resulted in fewer expired car batteries, which limited scrap supplies and pushed raw material scrap prices up.

# ZINC

Zinc prices averaged \$0.95 per pound in February 2012 based on the prior month-end pricing, increasing from \$0.90 per pound in January 2012. Zinc prices on the LME have risen nearly 18%, or \$0.14 per pound, over the past month to reach its historic average pricing as companies attempted to maintain greater stocks after recently depressed inventory levels.

**Zinc LME Monthly Average Price Per Pound  
February 2011 Through February 2012**

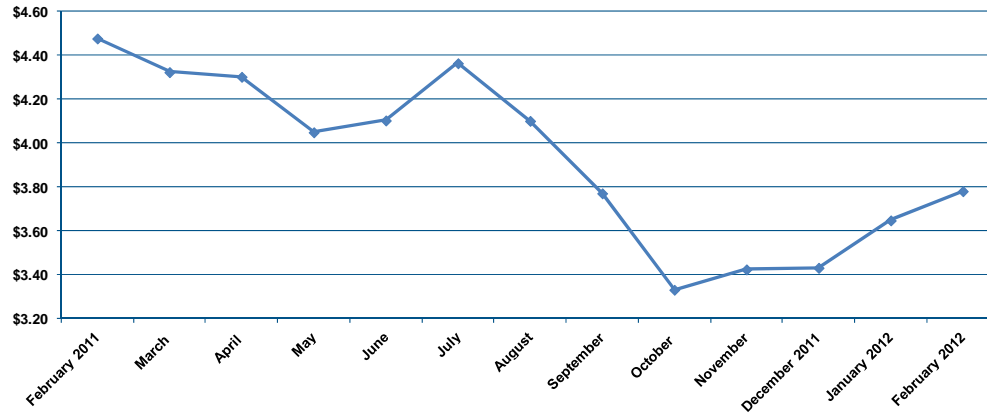


However, zinc prices are unlikely to remain at their current high levels, as several zinc and polymetallic mines are expected to offer additional production in the coming years. Analysts at Bank of America Merrill Lynch indicated that despite the recent gains in zinc prices, the fundamentals of zinc are “dim” and unlikely to improve until 2013.

# COPPER

LME copper prices averaged \$3.78 per pound for February 2012 based on the prior month-end pricing, increasing from \$3.65 per pound in January 2012. The Federal Reserve’s recent commitment to maintain low interest rates through 2014 helped push copper prices up 2.5%. In addition, LME warehouse stocks of copper fell 9,325 metric tons in the first week of February, while LME cancelled warrants increased to a record 97,150 metric tons by the end of January, suggesting limitations in supply. Thus far in 2012, LME warehouse stocks of copper decreased 12%, while cancelled warrants surged 113%.

**Copper LME Monthly Average Price Per Pound  
February 2011 Through February 2012**



Despite the boost in copper prices, January data revealed a continued drop in U.S. home prices, a decline in the Chicago PMI, and a slump in consumer sentiment.

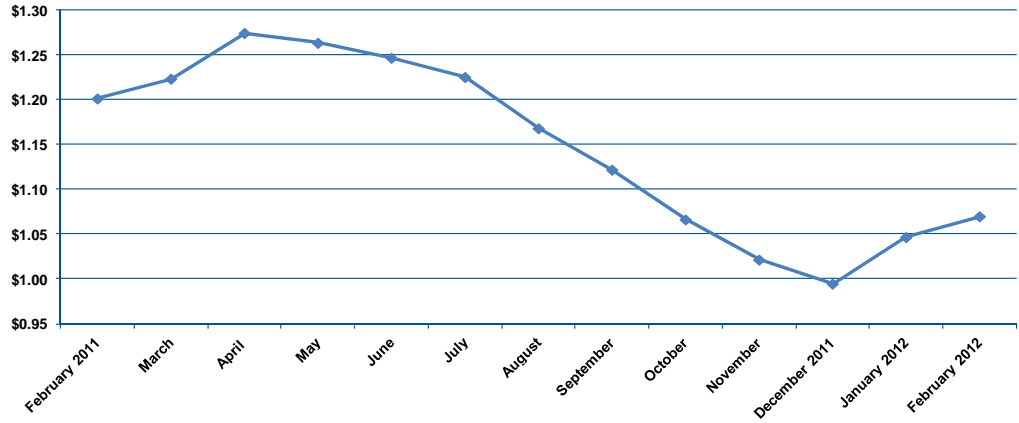
“I don’t think they’re looking past the stock declines,” said a New York investment bank trader.

Analysts believe that copper prices may not be sustainable in the near-term if economic data from the U.S. and China continues to be disappointing.

# ALUMINUM

Aluminum market prices on the LME averaged \$1.07 per pound in February 2012 based on prior month-end pricing, increasing slightly from \$1.05 in January. However, industry analysts project aluminum prices to decline nearly 15% in the first half of 2012. In an effort to contain energy costs and address slow demand, many aluminum producers have decided to reduce output.

**P1020 Primary Aluminum Sheet Ingot  
Average Monthly Price Per Pound  
February 2011 Through February 2012**

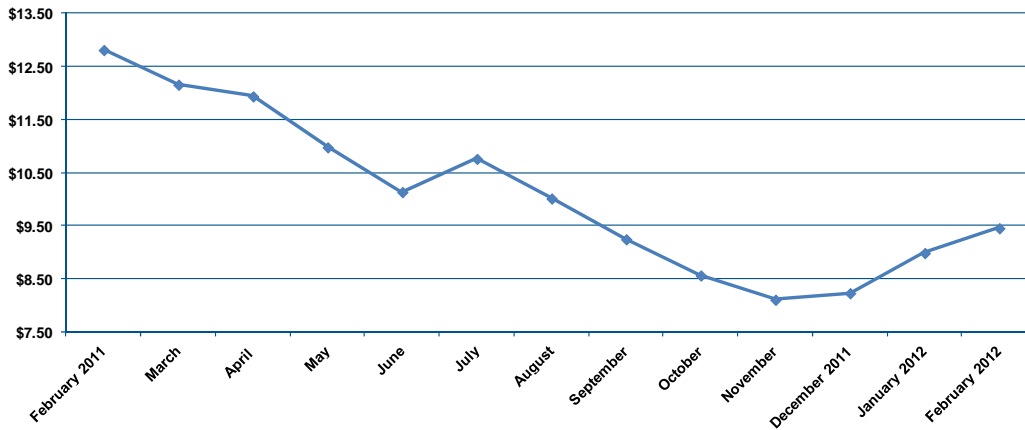


The global aluminum surplus is expected to decrease 42% to 941,000 metric tons in 2012 versus a supply excess of 1.6 million metric tons in 2011, according to a metals trading manager at Sumitomo Corp. Rusal, the largest aluminum producer in the world, plans to cut its output by 6% over the next 18 months, while Alcoa Inc. announced it would cut 12% of its global capacity.

# NICKEL

Nickel prices on the LME averaged \$9.46 per pound for February 2012 based on the prior month-end pricing, increasing from \$8.99 per pound in January. The Federal Reserve's recent commitment to maintain low interest rates through 2014 helped push nickel prices up 3.2%. Nevertheless, global nickel prices remain weak, and recent quarterly financial results from certain nickel businesses suggest they are struggling.

**Nickel LME Monthly Average Price Per Pound  
February 2011 Through February 2012**



In industry news, BHP Billiton Ltd., the fourth-largest nickel producer in the world, announced it would cut 30% of its mining operations at its West Australian locations.

However, output would remain near existing levels, as the company plans to use stockpiled ore to produce nickel concentrate in the short-term.

# STAINLESS STEEL

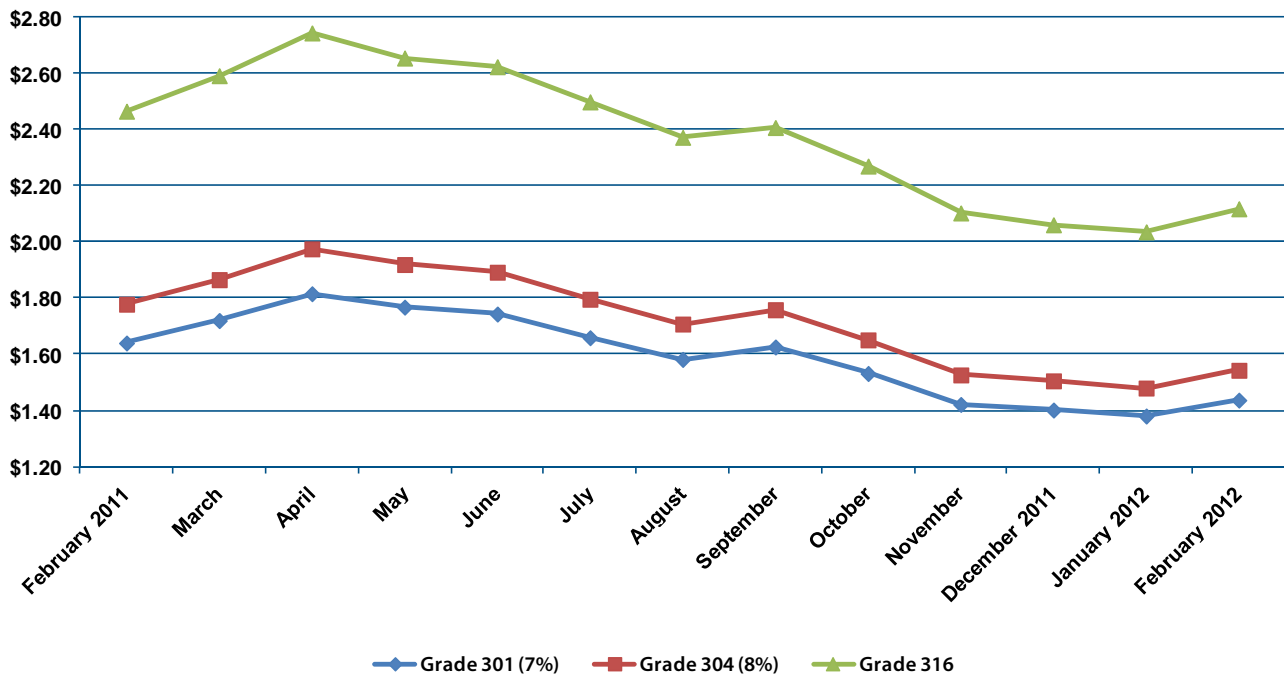
Stainless steel prices increased in February 2012, based on the prior month-end pricing. The average prices for grades 301(7%), 304(8%), and 316 stainless steel climbed to \$1.44, \$1.54, and \$2.12 per pound, respectively, versus \$1.38, \$1.48, and \$2.04 per pound, respectively, the prior month.

Alloy surcharges also increased, with the surcharge on 301 (7%) grade product at \$0.84 per pound, U.S. mill, in February versus \$0.79 per pound in January.

In industry news, Universal Stainless & Alloy Products, Inc. reported record sales of \$252.6 million in 2011 and has entered 2012 with a record backlog of orders of \$102.6 million, as demand from end-markets remained strong.



**Stainless Steel Flat Rolled Coil  
Monthly Average Base Selling Price Per Pound  
Less Discounts, Including Surcharges  
February 2011 Through February 2012**



# METALS REFERENCE SHEET

## CARBON STEEL SCRAP VALUES — CHICAGO MARKET

	YEAR AGO	DECEMBER 2011	JANUARY 2012	FEBRUARY 2012 MTD
AUTO SHRED	\$457.37/GT	\$434.00/GT	\$467.00/GT	\$460.00/GT
HMS (HEAVY MELT STEEL)	\$431.32/GT	\$408.00/GT	\$436.00/GT	\$432.00/GT
BUSHLING	\$486.58/GT	\$489.00/GT	\$517.00/GT	\$505.00/GT

## CARBON STEEL VALUES IN MAJOR COMMODITY FORMS

### CARBON FLAT ROLLED SHEET COIL BASE PRICE

	NOVEMBER 2011	DECEMBER 2011	JANUARY 2012	FEBRUARY 2012 MTD
HOT BANDS	\$654.00/NT	\$707.00/NT	\$745.00/NT	\$750.00/NT
COLD ROLLED	\$759.00/NT	\$812.00/NT	\$850.00/NT	\$855.00/NT
HOT-DIPPED COATED GALVANIZED	\$864.00/NT	\$917.00/NT	\$955.00/NT	\$960.00/NT

### CARBON STEEL PLATES BASE PRICE

		DECEMBER 2011	JANUARY 2012	FEBRUARY 2012 MTD
PLATE COILS AND STRIP MILL COILS		\$690 - \$710/NT	\$730 - \$750/NT	\$740 - \$760/NT
DISCRETE PLATES*	CARBON STEEL	\$920/NT	\$935.00/NT	\$940.00/NT
	ALLOYS PLATES	\$1,220/NT	\$1,220/NT	\$1,220/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)

	DECEMBER 2011 DELIVERY	JANUARY 2012 DELIVERY	FEBRUARY 2012 DELIVERY MTD
1/2" X 4" FLATS*	\$854 Avg/NT	\$867 Avg/NT	\$914 Avg/NT
2" X 2" X 1/4" ANGLES*	\$849 Avg/NT	\$863 Avg/NT	\$889 Avg/NT
REBAR COILS, GRADE 60: #3 TO #5 SIZES	\$775 Avg/NT	\$775 Avg/NT	\$780 Avg/NT
MERCHANT BAR (FOB MIDWEST MILL)	\$845 - \$875/NT	\$875 - \$905/NT	\$805 - \$935/NT

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

# METALS REFERENCE SHEET

## SBQ BARS (INCLUDING SURCHARGES, NET OF REBATES)

	DECEMBER 2011 DELIVERY	JANUARY 2012 DELIVERY	FEBRUARY 2012 DELIVERY MTD
HOT ROLLED 1000 1" DIAMETER	\$53.50/CWT (\$1,070/NT)	\$54.63/CWT (\$1,093/NT)	\$55.75/CWT (\$1,115/NT)
HOT ROLLED 4100 1" DIAMETER	\$58.75/CWT (\$1,175/NT)	\$59.88/CWT (\$1,198/NT)	\$61.00/CWT (\$1,220/NT)
COLD FINISHED C1018 1" DIAMETER	\$67.10/CWT (\$1,342/NT)	\$68.23/CWT (\$1,365/NT)	\$69.35/CWT (\$1,387/NT)

## OCTG AND LINE PIPE SAMPLING

	DECEMBER 2011 DELIVERY	JANUARY 2012 DELIVERY	FEBRUARY 2012 DELIVERY MTD
J55 ERW 4 1/2" TO 8 5/8"	\$1,350 - \$1,400/NT	\$1,300 - \$1,350/NT	\$1,300 - \$1,350/NT
LINE PIPE ERW 4" BLACK	\$990 - \$1,020/NT	\$1,000 - \$1,050/NT	\$1,050 - \$1,100/NT

## PRIMARY MAJOR NON-FERROUS METALS

### ALUMINUM

	NOVEMBER 2011	DECEMBER 2011	JANUARY 2012	FEBRUARY 2012 MTD
ALUMINUM NA (HIGH GRADE P1020)	\$0.9405/LB	\$0.9171/LB	\$0.9726/LB	\$0.9928/LB
MWTP (MIDWEST PREMIUM)	\$0.0797/LB	\$0.0751/LB	\$0.0745/LB	\$0.0775/LB
ALUMINUM ALLOY A380.1, LME VALUES	\$1.1075/LB	\$1.0670/LB	\$1.0807/LB	\$1.1150/LB

### NICKEL & COPPER

	NOVEMBER 2011	DECEMBER 2011	JANUARY 2012	FEBRUARY 2012 MTD
NICKEL, LME VALUES	\$8.1112/LB	\$8.2343/LB	\$8.9911/LB	\$9.4869/LB
COPPER HIGH GRADE A, LME VALUES	\$3.4254/LB	\$3.4326/LB	\$3.6485/LB	\$3.7958/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	NOVEMBER 2011 DELIVERY	DECEMBER 2011 DELIVERY	JANUARY 2012 DELIVERY	FEBRUARY 2012 DELIVERY MTD
T304*	\$1.5263/LB	\$1.5055/LB	\$1.4795/LB	\$1.5431/LB
T316/316L*	\$2.1030/LB	\$2.0608/LB	\$2.0358/LB	\$2.1179/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)

	NOVEMBER 2011	DECEMBER 2011	JANUARY 2012	FEBRUARY 2012 MTD
T304/304L	\$0.9103/LB	\$0.8895/LB	\$0.8635/LB	\$0.9271/LB
T316/316L	\$1.3050/LB	\$1.2628/LB	\$1.2378/LB	\$1.3199/LB