

GREAT AMERICAN GROUP ADVISORY & VALUATION SERVICES

Metals Monitor January 2012

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Introduction

Welcome to the January 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

| Trend Tracker |
|---------------------------------|
| NOLVs: Decreasing |
| Sales Trends: Increasing |
| Gross Margin: Mixed |
| Inventory: Mixed |
| Recent Pricing: Mixed |

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 were generally down versus the prior year and early 2011, when NOLVs were up due to rising market prices. NOLVs for two December 2011 collateral appraisals increased one to five percentage points due to a shift in inventory mix. The third appraisal reflected an NOLV decrease of two to five percentage points due to the higher cost of inventory stocked in early 2011.

Year-over-year sales trends for most of the appraised companies were up due to an overall increase in demand. Gross margins were mixed, as some companies continue to suffer from inventory stocked at higher costs in early 2011, while other companies boosted their margins via lower input costs related to less commodity raw materials or write-downs.

Inventory levels were mixed, as some companies restocked inventory after maintaining lower-than-normal levels, while other companies reduced inventory levels to match customer demand.

In January 2012, steel prices began to increase as steelmakers implemented price hikes and demand strengthened. Base metal prices remain volatile, as prices may fluctuate in line with supply issues and shifts in investor confidence due to global economic news.



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, textiles, and chemicals and plastics 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. 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 **December 2011**, GA performed the following initial and collateral update appraisals:

- An initial appraisal of a processor and distributor of specialty alloys, with annual revenues over \$10 million;
- An initial appraisal of a provider of steel and aluminum storage solutions, with annual revenues over \$50 million;
- An initial appraisal of a processor and distributor of custom ductile iron, steel, and stainless steel piping systems for the waterworks industry, with annual revenues over \$40 million;
- An initial appraisal of a manufacturer of metal precision-machined components, with annual revenues over \$1.0 billion;
- An initial appraisal of a previously appraised manufacturer and distributor of steel and aluminum light truck accessories, with annual revenues over \$150 million;
- An initial appraisal of a manufacturer of metal-based transformers and substations, with annual revenues over \$100 million;
- A collateral appraisal of a manufacturer and distributor of metal roofing and accessories, with annual revenues over \$80 million;
- A collateral appraisal of a manufacturer of galvanized steel tubes and pipes, electrical conduit, armored wire and cable, metal framing systems, and building components, with annual revenues over \$1 billion; and
- A collateral appraisal of a manufacturer and distributor of ductile iron pipe for waterworks projects, with revenues over \$1.0 billion.

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

Overall, the rising sales of automobiles as well as agricultural and oil-drilling equipment in 2011 helped boost demand for related steel products versus 2010. Shipments of steel strip and coiled plate steel for the automotive industry increased 11.9% to 44.1 million tons in the first 10 months of 2011 versus 2010. In addition, shipments of pipe for the energy market increased 24.3% during this period to 2.6 million tons. Despite these promising indicators, steel prices declined for much of 2011 due to setbacks such as the slowdown in the U.S. economic recovery and the deepening of the European debt crisis. However, steelmakers implemented price increases and expanded production toward the end of the year.

The steel industry continues to face challenges, including reduced demand from the household appliance industry and the construction market. Shipments of rebar, the steel that supports concrete in buildings, decreased 13% to 4.7 million tons during the first 10 months of 2011.

In addition, the steel industry has experienced low capacity utilization due to weak order rates, with a 2011 capacity utilization rate average of 75%. According to Fitch Ratings, the average capacity utilization rate is expected to increase in 2012 but will not reach 80% on average. Capacity utilization rates below 80% may lead to the risk of margin decreases, particularly when raw material costs are rising.

OVERVIEW

AUTOMOTIVE

The automotive industry is a significant consumer of steel. In December 2011, Detroit's Big Three automakers continued to post significant year-over-year sales increases. General Motors Company, Ford Motor Company ("Ford"), and Chrysler Group LLC ("Chrysler") reported sales increases of 14%, 17%, and 26%, respectively, with Chrysler's U.S. sales up 37%.

Industry analysts have indicated that U.S. auto sales would rise in 2012, driven by pent-up demand, as the average car on the road is 11 years old, with one of every five cars on the road being 11 to 15 years old. Ford projected its U.S. sales will range from 13.5 million units to 14.5 million units in 2012, with global sales of 75 million units to 85 million units.

MANUFACTURING

The Institute for Supply Management's ("ISM") purchasing managers index ("PMI"), an indicator of manufacturing, increased 1.2 points from the November reading of 52.7 in November to a reading of 53.9 in December 2011.

Readings greater than 50 signify growth in the manufacturing economy, while readings below 50 denote contraction. Thus, the PMI reflected economic growth for the 31st consecutive month. The PMI averaged 55.3 over 2011, with a high of 61.4 in February and a low of 50.6 in August. The February reading had marked the highest level since the early 1980s.

According to Bradley Holcomb, chair of the ISM, "The past relationship between the PMI and the overall economy indicates that the average PMI for January through December 2011 (55.3) corresponds to a 4.5% increase in real GDP. In addition, if the PMI for December (53.9) is annualized, it corresponds to a 4% increase in real GDP annually."

The following table reveals the monthly PMI trend:

| Month | PMI |
|----------------|------|
| December 2011 | 53.9 |
| November 2011 | 52.7 |
| October 2011 | 50.8 |
| September 2011 | 51.6 |
| August 2011 | 50.6 |
| July 2011 | 50.9 |
| June 2011 | 55.3 |
| May 2011 | 53.5 |
| April 2011 | 60.4 |
| March 2011 | 61.2 |
| February 2011 | 61.4 |
| January 2011 | 60.8 |
| December 2010 | 58.5 |
| November 2010 | 58.2 |

ENERGY

The energy market is a large consumer of metals used for pipelines and oil rigs. The Baker Hughes Rig Counts ("Baker Hughes") 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 remained steady with an unchanged rig count week-over-week, and demonstrated growth on a year-over-year basis. The unchanged U.S. week-over-week rig count represented an increase of two rigs for natural gas production and a decrease of two rigs for oil production, which canceled each other out. The Canadian rig count increased versus the prior count but was down versus the prior year, while the international rig count decreased week-over-week but was up year-over-year.

| | United States | Canada | International |
|-------------------------------|-------------------|-------------------|---------------|
| Date of Recent Rig Count | January 6, 2012 | January 6, 2012 | November 2011 |
| Count | 2,000 | 361 | 1,185 |
| Date of Prior Rig Count | December 29, 2011 | December 29, 2011 | October 2011 |
| Change From Prior Count | 0 | 140 | (12) |
| Date of Last Year's Rig Count | January 7, 2011 | January 7, 2011 | November 2010 |
| Change From Last Year's Count | 307 | (61) | 55 |

RECENT APPRAISAL TRENDS

Steel market prices have begun to increase as steelmakers implement price hikes to protect their margins and demand from key industries has improved. Base metal prices have continued to fluctuate due to various factors affecting investor confidence, including the European debt crisis.

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 December 2011, the automotive sector posted positive sales growth, the domestic energy sector expanded year-over-year, 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 December 2011, GA performed collateral appraisals of a manufacturer and distributor of metal roofing and accessories, with raw materials including wide and slit galvalume and galvanized steel coils and aluminum coils, as well as a manufacturer of galvanized steel tubes and pipes, electrical conduit, armored wire and cable, metal framing systems, and building components. These companies demonstrated 12-month sales increases of 5% to 20%. GA also performed a collateral appraisal of a manufacturer and distributor of metal ductile iron pipe for waterworks projects, which posted a 12-month sales decrease of 15% to 20% due to poor economic conditions, impacting demand from the waterworks industry.

In addition, GA conducted several initial appraisals of various metals and metal products companies, many of which reported sales increases. These increases were driven by overall higher demand from customers as the economy continues to slowly recover, including those in key industries such as the automotive and aerospace industries. Gross margins for certain companies increased due to lower input costs related to less commodity raw materials and write-down practices, while gross margins for others fell due to higher-cost flat rolled inventory sourced earlier in 2011 before market prices fell.

Two of the December collateral appraisals demonstrated NOLV increases of one to five percentage points versus the prior year due to a shift in inventory mix. The third appraisal reflected an NOLV decrease of two to five percentage points due to higher-cost flat rolled steel inventory purchased in early 2011 before market prices fell.

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 metals industry in the U.S. An increase in demand for products in these markets entails greater demand for metals. |

CARBON STEEL

SCRAP

Ferrous scrap prices continued to rise in January 2012 as mills sought to secure higher levels of scrap raw materials in light of stronger demand for their finished steel products. According to The Steel Index (“TSI”), a business unit of Platts, the reference price for shredded scrap increased \$7.00 per gross ton in the first week of 2012 to \$460 per gross ton versus the prior week, delivered Midwestern U.S. Mill. The reference price climbed \$16.00 per gross ton, or 3.6%, over the past four weeks.

UTILIZATION RATES

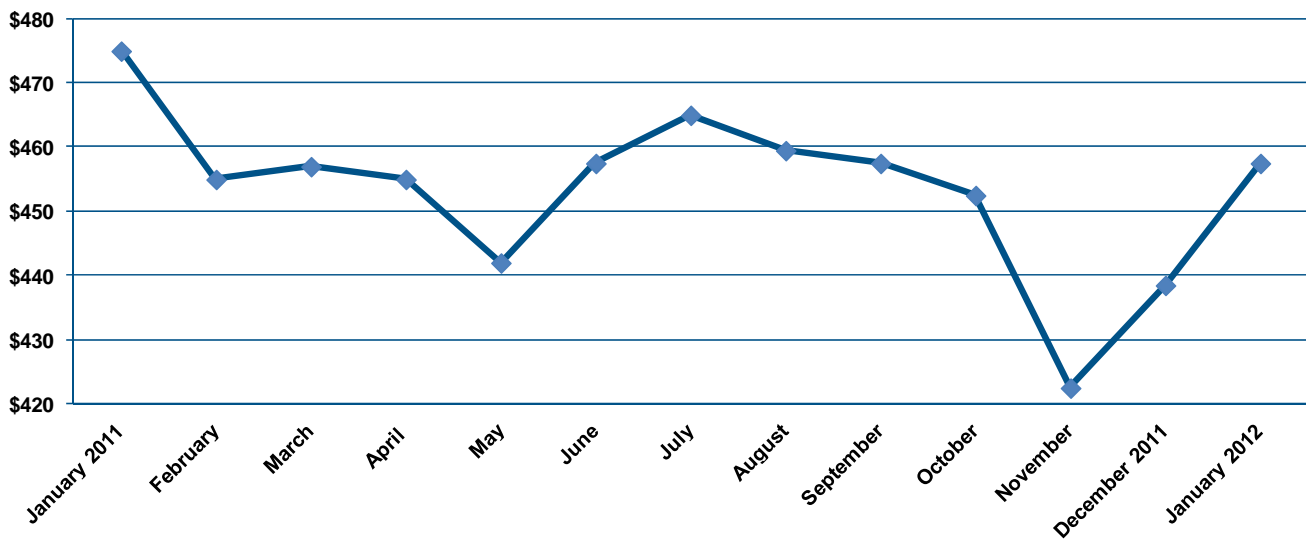
For the week ended January 7, 2012, domestic raw steel production totaled 1,891,000 net tons, according to the American Iron and Steel Institute (“AISI”). The week’s production increased 1.3% from 1,867,000 net tons the previous week ended December 31, 2011, and climbed 5.6% from 1,790,000 net tons for the week ended January 7, 2011.

The AISI also reported capability utilization reached 76.5%, increasing from 75.3% the prior week and 73.2% the previous year.

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% |
| Year-to-Date through December 24, 2011 | 93.73 | 7.8% |
| January 7, 2012 | 1.89 | 5.6% |

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



CARBON STEEL

CARBON FLAT ROLLED SHEET COIL

After declining for much of 2011, flat rolled steel prices began to rise in December and continued to increase in January 2012 as steelmakers instituted price hikes. Spot prices for hot rolled coil range from \$710 to \$750 per net ton and maintain lead times of three to eight weeks. However, according to *Steel Business Briefing* (“SBB”), the restart of RG Steel LLC’s finishing operations in Sparrows Point, Maryland this month may limit recent sheet price gains, as the location maintains the capacity to produce three million net tons per year.

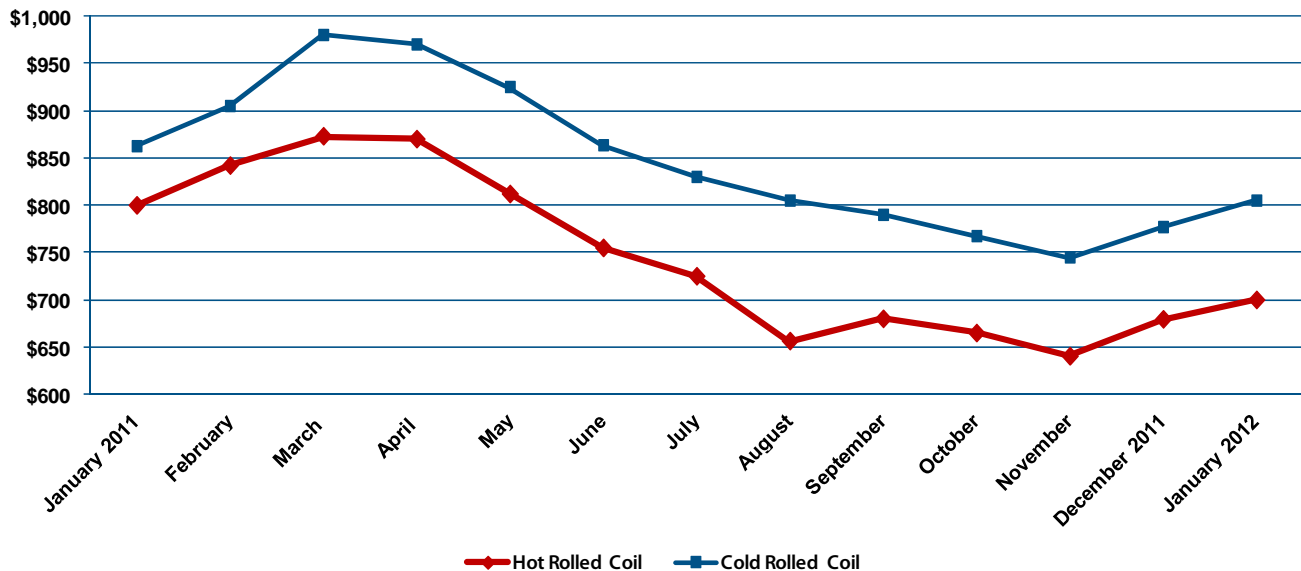
In addition, while U.S. sheet license data reveals imports may have declined in December, industry analysts believe significant increases in U.S. spot prices could augment domestic demand for foreign sheet coil in the near future.

“Continually high price spreads between domestic hot rolled coil...versus global prices may serve to stimulate a competitive alternative supply source going forward,” said Josh Spoore, chief analyst at Steel Reality.

Certain steelmakers are adjusting their steel surcharges. SBB reported AK Steel Corporation raised its grain-oriented electrical sheet surcharge by approximately 10% to \$435 per net ton for February shipments, while Allegheny Technologies Inc. reduced its surcharge by nearly 2% to \$453 per net ton.



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



CARBON STEEL

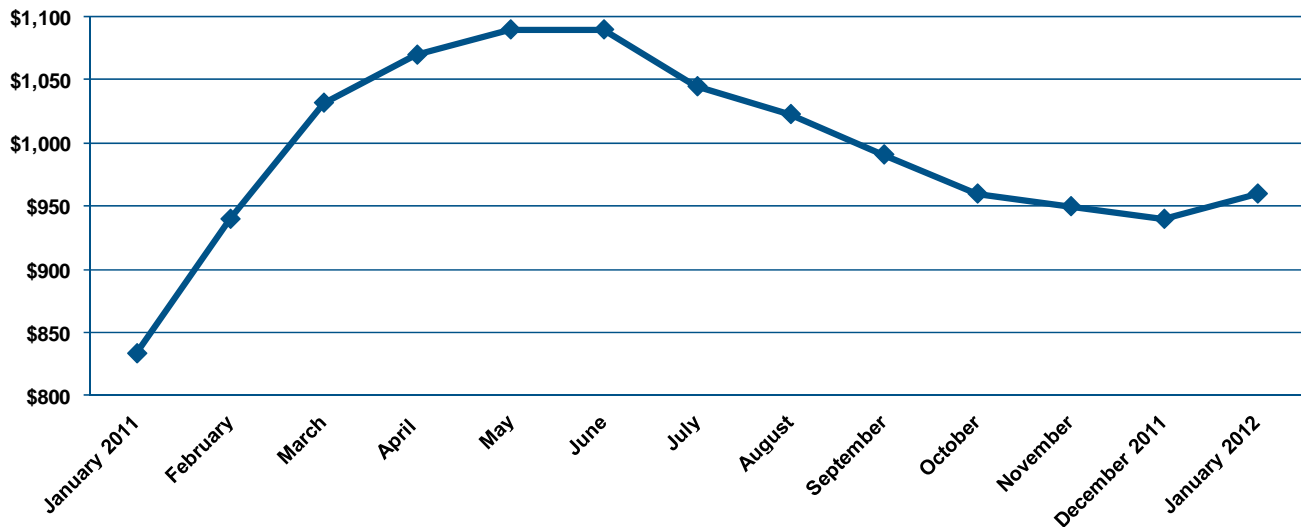
PLATE

While plate prices declined in the second half of 2011 due to demand for imports and reduced plate raw material prices, steelmakers have recently implemented price hikes to protect their margins. Nucor Corporation announced in early January 2012 that it will raise transaction prices for all carbon, alloy, and heat-treated products by at least \$50 per net ton, effective with all new orders. ArcelorMittal and SSAB had also previously announced increases of \$50 per net ton for February shipments.

Prior to the announced price hikes, spot prices for A36 grade steel plate ranged from \$950 to \$970 per net ton, FOB Midwest mill, according to SBB.



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



CARBON STEEL

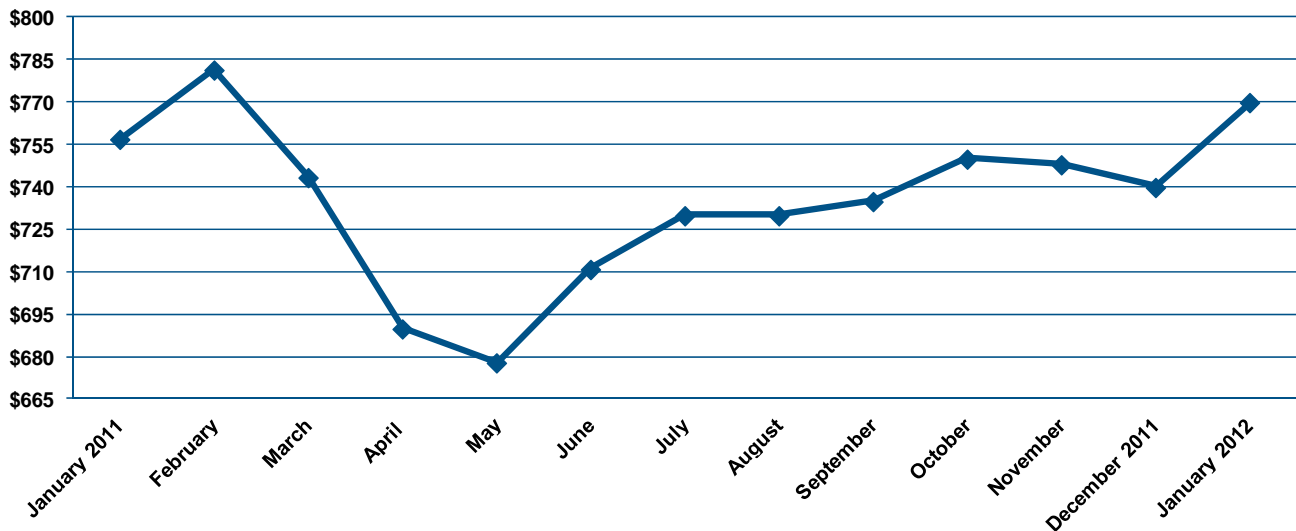
CARBON STEEL LONG PRODUCTS

Rebar prices averaged \$770 per net ton in January 2012 based on the prior month-end pricing, increasing from \$740 per net ton in December 2011, as scrap prices have recently risen. In addition, ArcelorMittal Long Carbon North America and Keystone Steel & Wire Co. both announced wire rod price increases of \$30 per net ton for February shipments, according to SBB, driven by the higher benchmark price for shredded scrap.

In industry news, North American Stainless is now on the Texas Department of Transportation's approved producer list for stainless rebar, marking the first U.S. stainless supplier to make the list. The approved supplier status is active for one year retroactive to December 12, 2011.



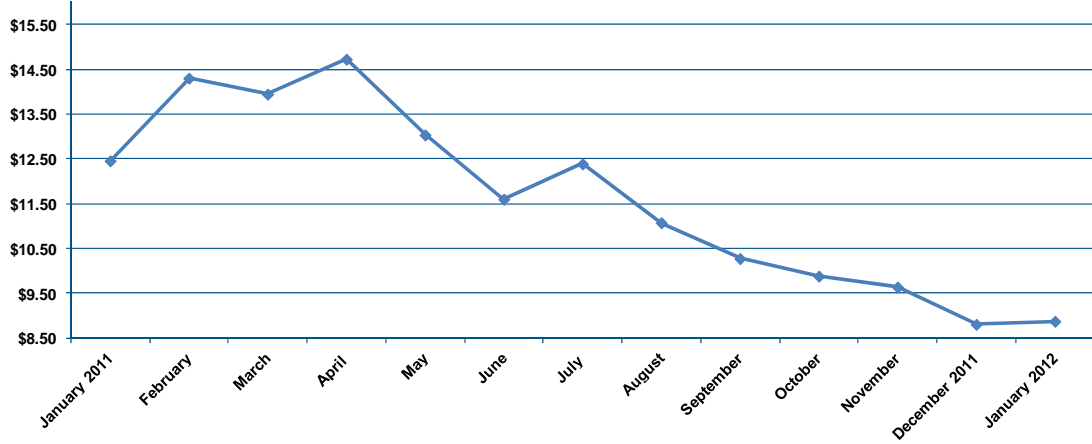
**Long Products/Rebar
North America Domestic FOB U.S. Midwest Mill
Monthly Average Price Per Net Ton
January 2011 Through January 2012**



TIN

The market price for tin on the London Metal Exchange (“LME”) averaged \$8.88 per pound for January 2012 based on the prior month-end pricing, increasing slightly from \$8.81 per pound in December 2011.

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

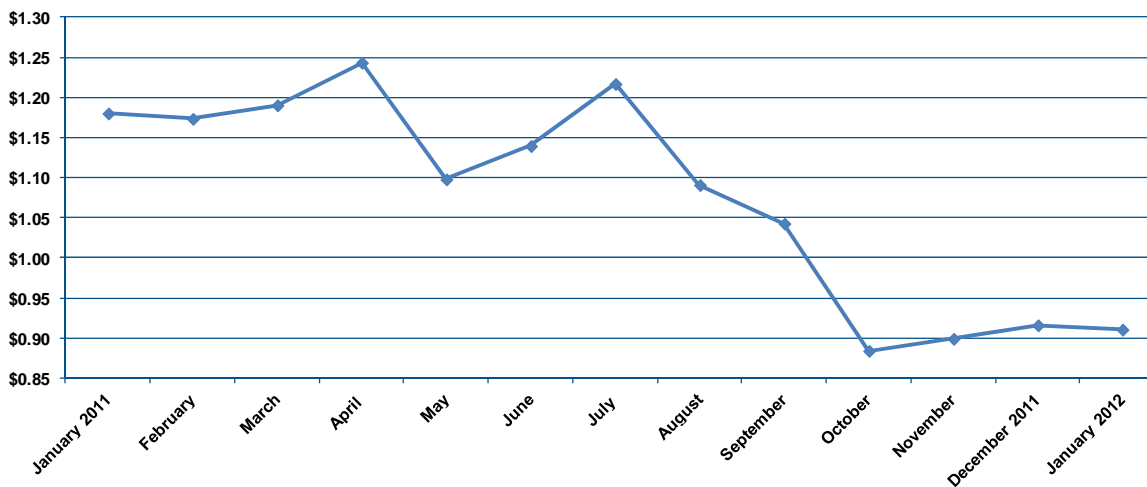


Tin market brokers have indicated that the Kuala Lumpur Tin Market (“KLTm”) remains relatively stable, similar to the LME, as some traders continue to demonstrate caution due to the Eurozone debt crisis. The tin price difference between the KLTm and the LME represented a premium of \$0.11 on January 6, 2012 compared to \$0.24 the previous week.

LEAD

The market price for lead on the LME averaged \$0.91 per pound for January 2012 based on the prior month-end pricing, decreasing slightly from \$0.92 per pound in December 2011, as supplies have risen. Used lead battery prices fell to a range of \$0.28 to \$0.30 per pound at the end of December compared to as much as \$0.32 per pound for 50% lead in mid-December.

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



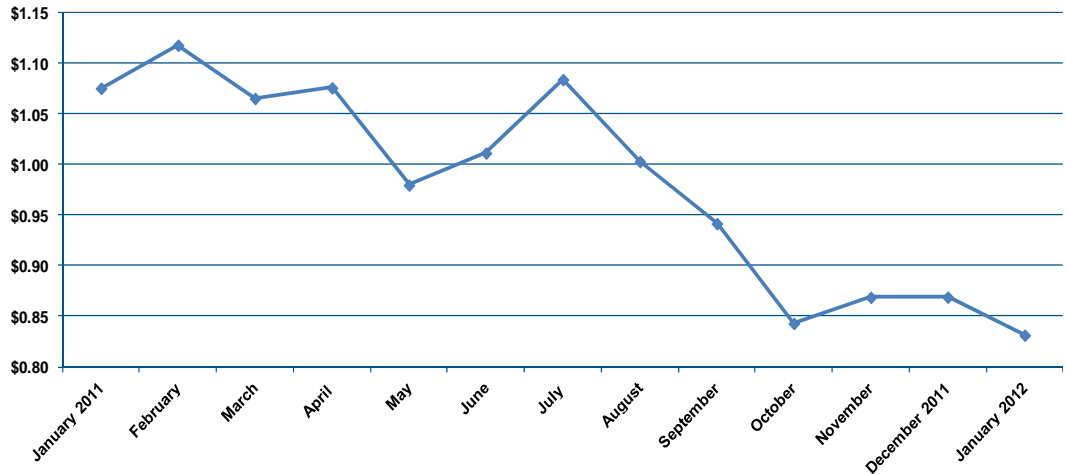
Platt industry sources, including buyers, have indicated that the lead market has taken a downturn due to the need to work through excess inventory.

ZINC

Zinc prices averaged \$0.83 per pound in January 2012 based on the prior month-end pricing, declining from \$0.87 per pound in December 2011.

Deutsche Bank AG (“DB”) has revised its expectations of metal prices for 2012, reducing its zinc outlook by 12.4% due to concerns regarding the worsening European economic environment and the potential for a strong dollar.

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

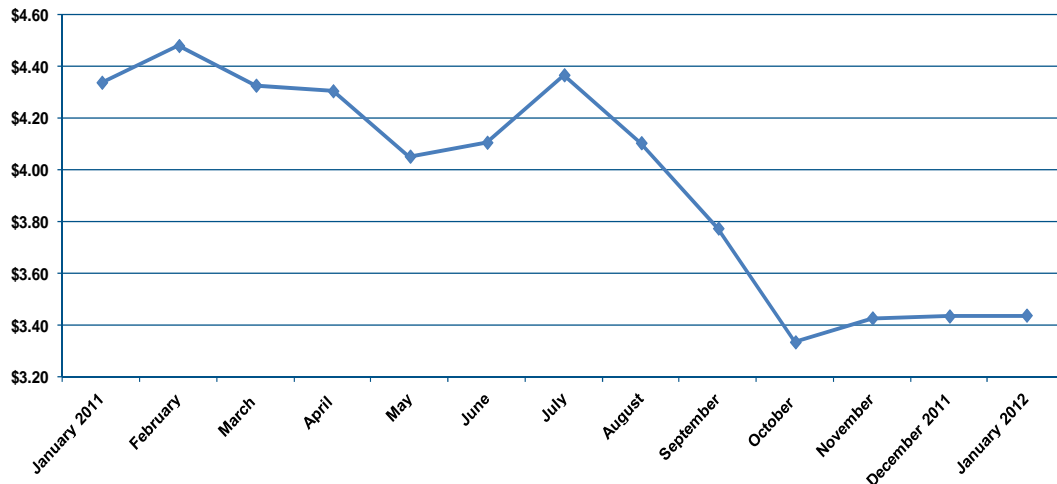


Zinc is also suffering from significant off-exchange stocks in China and is projected to experience soft physical demand in the near to mid-term. In January 2012, three-month LME prices for zinc were 24.8% below January 2011 levels.

COPPER

LME copper prices averaged \$3.44 per pound for January 2012 based on the prior month-end pricing, increasing slightly from \$3.43 per pound in December 2011. However, copper prices slipped in the first week of January in light of renewed concerns over Europe’s debt crisis, the possibility of oil supplies dropping due to anticipated sanctions against Iran, a slowdown in Chinese demand, and a weak housing market.

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



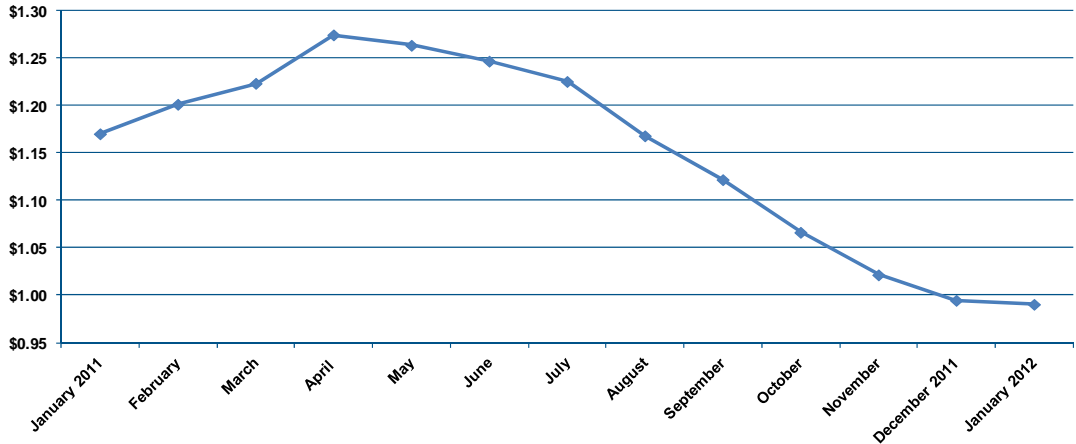
Given these worrisome indicators, DB has revised its 2012 price forecast for various metals, reducing the copper forecast by 18.8%, although the first quarter of 2012 will likely represent the weakest quarter, with prices expected to improve throughout the remainder of the year.

ALUMINUM

Aluminum market prices on the LME averaged \$0.99 per pound in January 2012 based on prior month-end pricing, remaining relatively consistent with the prior month.

DB has reduced its price forecast for aluminum by 17.8% for 2012 due to the European debt crisis and the potential for a strong U.S. dollar.

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

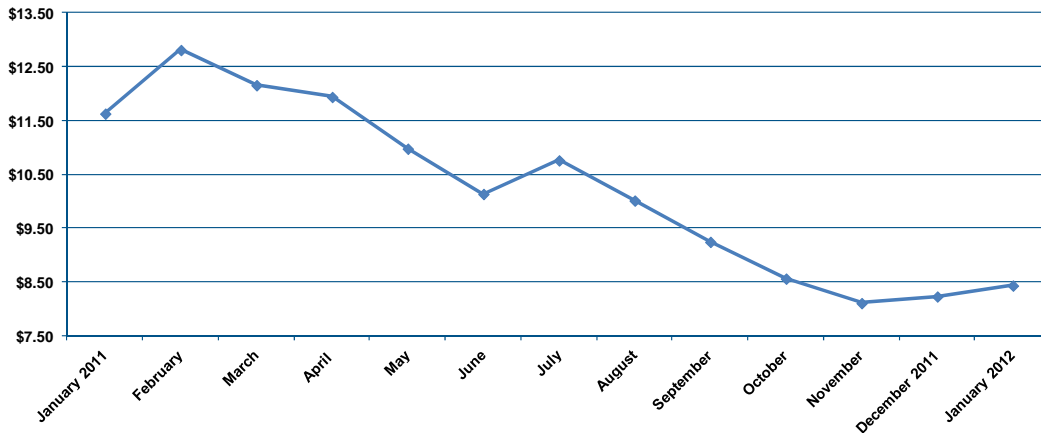


On the supply side, aluminum supplier Alcoa announced its plans to cut its global smelting capacity by 12% in an effort to reduce its costs amidst the declining metal pricing. In addition, the company plans to permanently close its smelting facility in Alcoa, Tennessee, decreasing the company's global smelting capacity by approximately 240,000 metric tons.

NICKEL

Nickel prices on the LME averaged \$8.44 per pound for January 2012 based on the prior month-end pricing, increasing from \$8.23 per pound in December 2011. Nickel prices will likely continue to fluctuate in 2012, given the European economic uncertainties and competition from nickel pig iron producers. According to Terry Ortsland of TSO & Associates, \$7.00 per pound would be a low nickel price target for 2012, although continued challenges may make it a reality.

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



DB has revised its expectations of metal prices for 2012, reducing its nickel price forecast by 19.0%. In industry news, ASTM International has announced new standard specifications for chromium and chromium nickel stainless steel plate, sheet, and strip intended for pressure vessels and general applications. The steel must now conform to required chemical composition and mechanical properties.

STAINLESS STEEL

Stainless steel prices continued to decline in January 2012. According to Metalprices.com, the base selling price for 301 (7%) stainless steel, including alloy surcharges, averaged \$1.38 per pound in January, declining from an average of \$1.40 per pound in December 2011. The prices for grades 304(8%) and 316 also slipped. Alloy surcharges also fell, with the surcharge on 301(7%) grade product at \$0.79 per pound, U.S. mill, in January versus \$0.81 per pound in December.

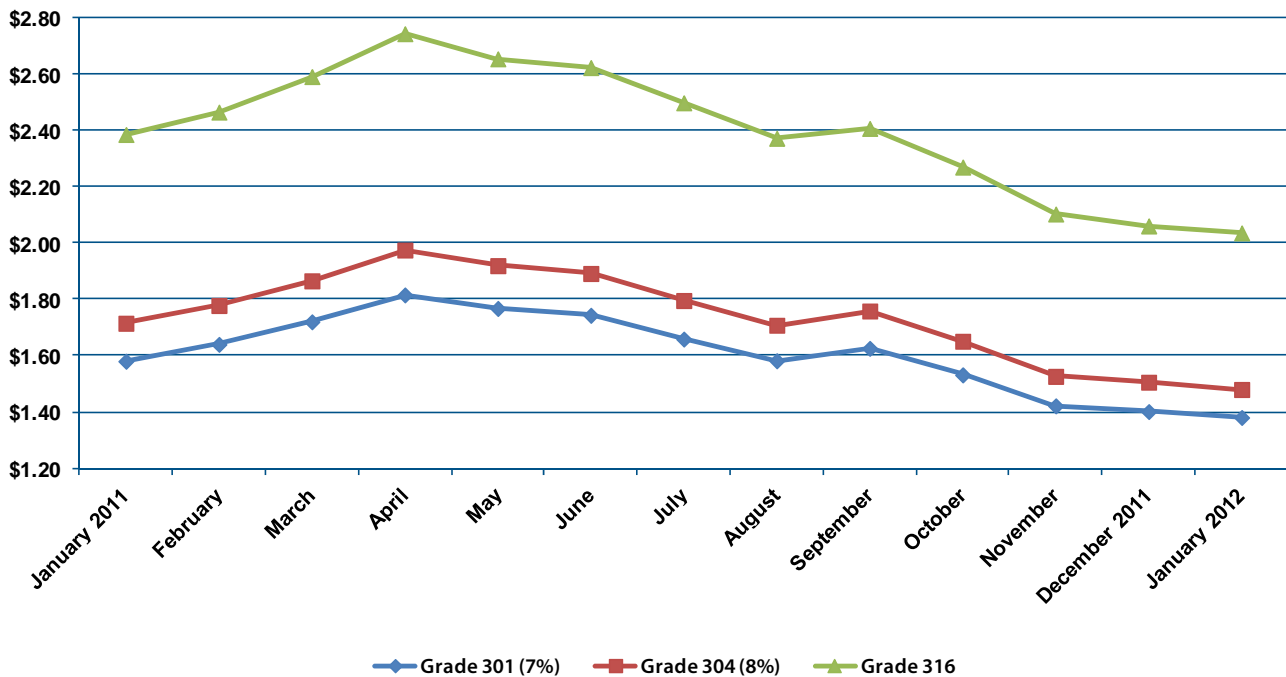
However, 304 series stainless steel scrap prices have increased. As of January 5th, the Platts assessment for 304 series stainless steel scrap in the U.S. rose to \$0.88 to \$0.90 per pound, delivered, versus \$0.87 to \$0.89 per pound the prior week. The U.S. may therefore begin to consider importing these goods from Europe, given the high domestic prices, the weakness of the Euro, tight North American scrap supplies, and strong U.S. mill demand during the first quarter of 2012.

“At the moment, the price for 304 stainless scrap in North America is about the highest in the world,” said a processor. “It could very easily open up a reverse flow of scrap, and it would be the first time in about 10 years we’ve seen stainless scrap imports coming in from Europe.”

Processors and dealers have estimated European scrap prices at \$0.82 to \$0.83 per pound, and freight costs to import the goods would approximate at least \$0.08. Further domestic price increases or European price declines would therefore make 304 stainless scrap viable to import into North America.

According to the U.S. Department of Commerce, U.S. imports of stainless steel increased 5% to 80,732 metric tons in November 2011 versus 76,843 metric tons the previous month. The increase in stainless steel imports was driven by higher imports of coiled stainless steel plates, which reached 12,027 metric tons in November, marking the highest level since July.

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



METALS REFERENCE SHEET

CARBON STEEL SCRAP VALUES — CHICAGO MARKET

| | YEAR AGO | NOVEMBER 2011 | DECEMBER 2011 | JANUARY 2012 MTD |
|------------------------|-------------|---------------|---------------|------------------|
| AUTO SHRED | \$457.00/GT | \$415.00/GT | \$434.00/GT | \$448.00/GT |
| HMS (HEAVY MELT STEEL) | \$415.25/GT | \$389.00/GT | \$408.00/GT | \$421.00/GT |
| BUSHLING | \$484.00/GT | \$458.00/GT | \$489.00/GT | \$505.00/GT |

CARBON STEEL VALUES IN MAJOR COMMODITY FORMS

CARBON FLAT ROLLED SHEET COIL BASE PRICE

| | OCTOBER 2011 | NOVEMBER 2011 | DECEMBER 2011 | JANUARY 2012 MTD |
|------------------------------|--------------|---------------|---------------|------------------|
| HOT BANDS | \$668.00/NT | \$654.00/NT | \$707.00/NT | \$740.00/NT |
| COLD ROLLED | \$775.00/NT | \$759.00/NT | \$812.00/NT | \$845.00/NT |
| HOT DIPPED COATED GALVANIZED | \$878.00/NT | \$864.00/NT | \$917.00/NT | \$950.00/NT |

CARBON STEEL PLATES BASE PRICE

| | | NOVEMBER 2011 | DECEMBER 2011 | JANUARY 2012 |
|----------------------------------|---------------|------------------|------------------|------------------|
| PLATE COILS AND STRIP MILL COILS | | \$640 - \$660/NT | \$690 - \$710/NT | \$720 - \$740/NT |
| DISCRETE PLATES* | CARBON STEEL | \$946/NT | \$920/NT | \$930.00/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)

| | NOVEMBER 2011 DELIVERY | DECEMBER 2011 DELIVERY | JANUARY 2012 DELIVERY |
|--|------------------------|------------------------|-----------------------|
| 1/2" X 4" FLATS* | \$863 Avg/NT | \$854 Avg/NT | \$854 Avg/NT |
| 2" X 2" X 1/4" ANGLES* | \$858 Avg/NT | \$849 Avg/NT | \$849 Avg/NT |
| REBAR COILS, GRADE 60: #3 TO #5 SIZES | \$784 Avg/NT | \$775 Avg/NT | \$775 Avg/NT |
| MERCHANT BAR (FOB MIDWEST MILL) | \$860 - \$890/NT | \$845 - \$875/NT | \$845 - \$875/NT |

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

METALS REFERENCE SHEET

SBQ BARS (INCLUDING SURCHARGES, NET OF REBATES)

| | NOVEMBER 2011 DELIVERY | DECEMBER 2011 DELIVERY | JANUARY 2012 DELIVERY |
|---------------------------------|--------------------------|--------------------------|--------------------------|
| HOT ROLLED 1000 1" DIAMETER | \$52.25/CWT (\$1,045/NT) | \$53.50/CWT (\$1,070/NT) | \$54.10/CWT (\$1,082/NT) |
| HOT ROLLED 4100 1" DIAMETER | \$57.50/CWT (\$1,150/NT) | \$58.75/CWT (\$1,175/NT) | \$59.35/CWT (\$1,187/NT) |
| COLD FINISHED C1018 1" DIAMETER | \$65.85/CWT (\$1,317/NT) | \$67.10/CWT (\$1,342/NT) | \$67.70/CWT (\$1,354/NT) |

OCTG AND LINE PIPE SAMPLING

| | NOVEMBER 2011 DELIVERY | DECEMBER 2011 DELIVERY | JANUARY 2012 DELIVERY |
|--------------------------|------------------------|------------------------|-----------------------|
| J55 ERW 4 1/2" TO 8 5/8" | \$1,400 - \$1,450/NT | \$1,400 - \$1,450/NT | \$1,400 - \$1,450/NT |
| LINE PIPE ERW 4" BLACK | \$990 - \$1,090/NT | \$990 - \$1,020/NT | \$1,000 - \$1,050/NT |

PRIMARY MAJOR NON-FERROUS METALS

ALUMINUM

| | OCTOBER 2011 | NOVEMBER 2011 | DECEMBER 2011 | JANUARY 2012 |
|-----------------------------------|--------------|---------------|---------------|--------------|
| ALUMINUM NA (HIGH GRADE P1020) | \$0.9853/LB | \$0.9405/LB | \$0.9171/LB | \$0.9202/LB |
| MWTP (MIDWEST PREMIUM) | \$0.0810/LB | \$0.0797/LB | \$0.0751/LB | \$0.0740/LB |
| ALUMINUM ALLOY A380.1, LME VALUES | \$1.1332/LB | \$1.1075/LB | \$1.0670/LB | \$1.0550/LB |

NICKEL & COPPER

| | OCTOBER 2011 | NOVEMBER 2011 | DECEMBER 2011 | JANUARY 2012 |
|---------------------------------|--------------|---------------|---------------|--------------|
| NICKEL, LME VALUES | \$8.5668/LB | \$8.1112/LB | \$8.2343/LB | \$8.4604/LB |
| COPPER HIGH GRADE A, LME VALUES | \$3.3328/LB | \$3.4254/LB | \$3.4326/LB | \$3.4293/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 | OCTOBER 2011 DELIVERY | NOVEMBER 2011 DELIVERY | DECEMBER 2011 DELIVERY | JANUARY 2012 |
|---------------------------------|--------------------------|---------------------------|---------------------------|--------------|
| T304* | \$1.6510/LB | \$1.5263/LB | \$1.5055/LB | \$1.4795/LB |
| T316/316L* | \$2.2699/LB | \$2.1030/LB | \$2.0608/LB | \$2.0358/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)

| | OCTOBER 2011 | NOVEMBER 2011 | DECEMBER 2011 | JANUARY 2012 |
|-----------|--------------|---------------|---------------|--------------|
| T304/304L | \$1.0350/LB | \$0.9103/LB | \$0.8895/LB | \$0.8635/LB |
| T316/316L | \$1.4719/LB | \$1.3050/LB | \$1.2628/LB | \$1.2378/LB |