

Table 1: Selected U.S. Steel Industry Data, July & Year-to-Date, 2011

	Month of July			Year-to-Date		
	2011	2010	% Chg	2011	2010	% Chg
(000 net tons)						
Raw Steel Production	8,122	7,456	8.9%	55,176	52,539	5.0%
Capacity Utilization	75.0	69.6	--	74.5	71.7	--
Mill Shipments	7,409	6,481	14.3%	52,189	48,790	7.0%
Exports	1,062	896	18.5%	7,470	7,119	4.9%
Total Imports.....	2,620	2,425	8.0%	17,266	14,131	22.2%
Finished Steel Imports.....	2,095	1,803	16.2%	13,187	10,992	20.0%
Apparent Steel Supply*.....	8,443	7,388	14.3%	57,906	52,663	10.0%
Imports as % of Supply*	24.8	24.4	--	22.8	20.9	--
Average Spot Price** (\$/ton).....	\$865	\$688	25.7%	\$909	\$716	27.0%
Scrap Price# (\$/gross ton)	\$443	\$309	43.4%	\$440	\$340	29.3%

Sources: AISI, SteelBenchmarker *Excl semi-finished imports **Avg price of 4 carbon products #shredded

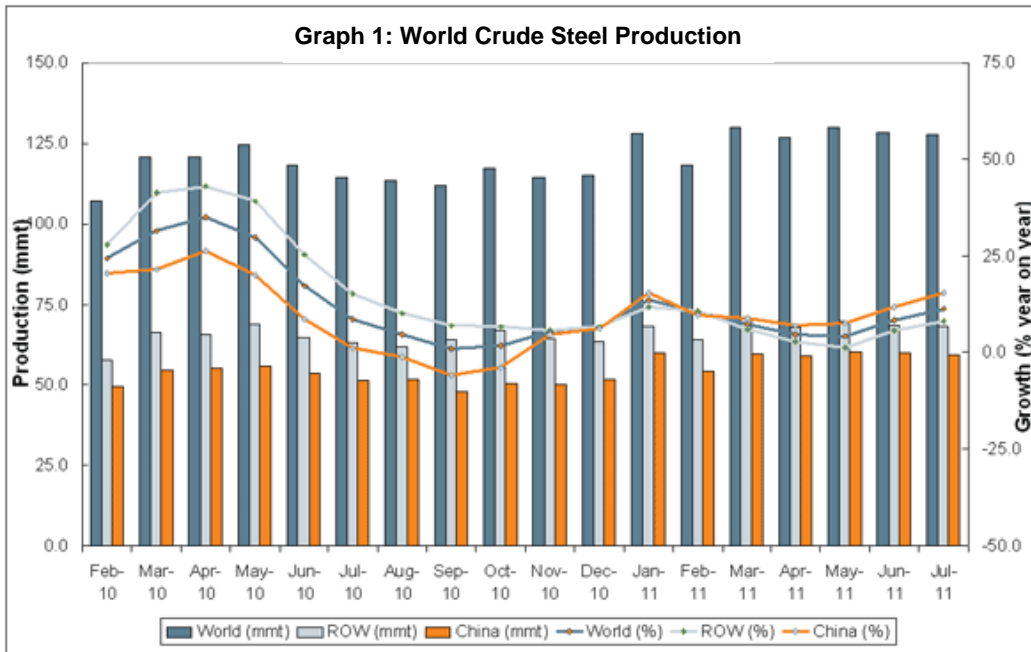
Table 2: U.S. Spot Prices for Selected Steel Products, September & Year-to-Date, 2011

	Month of September			Year-to-Date		
	2011	2010	% Chg	2011	2010	% Chg
(\$ per net ton)						
Hot Rolled Band.....	697	592	17.7%	783	627	25.0%
Cold Rolled Coil.....	800	695	15.1%	879	732	20.0%
Coiled Plate.....	1017	779	30.6%	1,012	768	31.8%
Average Spot Price.....	\$838	\$689	21.7%	\$891	\$709	25.7%
OCTG.....	1,997	1,854	7.7%	1,877	1,733	8.3%
#1 Heavy Melt.....	401	318	26.1%	403	310	29.9%
Scrap Steel-Shredded.....	444	353	25.8%	440	342	28.6%
#1 Busheling.....	483	404	19.6%	476	412	15.4%

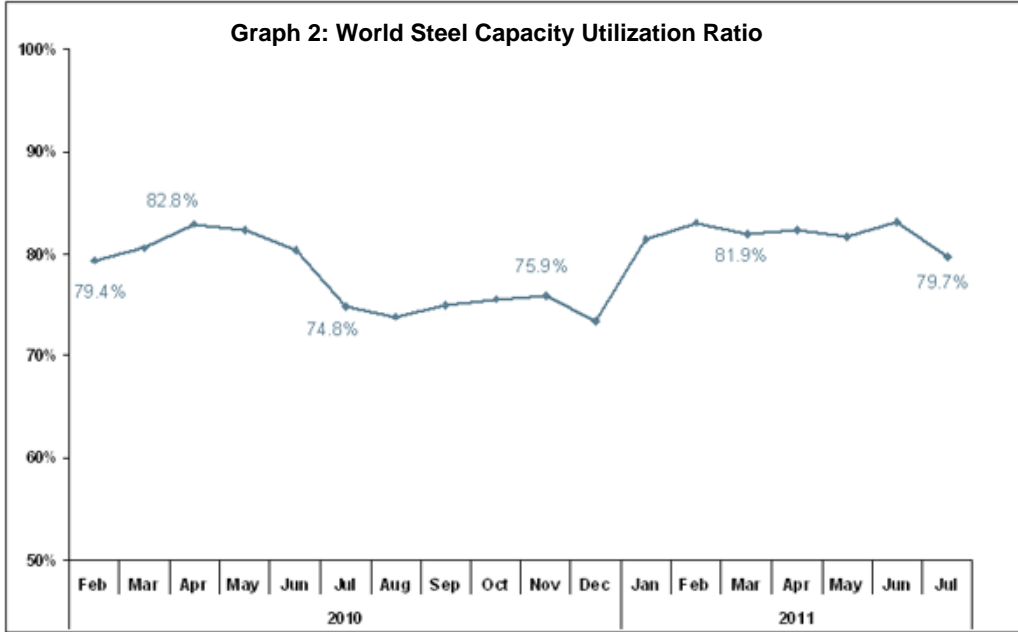
Sources: World Steel Dynamics' SteelBenchmarker, Spears Research; OCTG data is August, 2011

Table 3: World Crude Steel Production, July & Year-to-Date, 2011						
(000 metric tons)	Month of June			Year-to-Date		
Region	2011	2010	% Chg	2011	2010	% Chg
European Union.....	14,579	13,763	5.9%	108,008	103,509	4.3%
Other Europe.....	3,068	2,595	18.2%	21,167	17,471	21.2%
C.I.S.....	9,450	8,617	9.7%	66,106	62,035	6.6%
North America.....	10,540	9,486	11.1%	69,858	65,672	6.4%
South America.....	4,297	3,835	12.0%	28,746	25,071	14.7%
Africa.....	1,207	1,303	-7.3%	8,168	9,684	-15.7%
Middle East.....	1,587	1,297	22.3%	11,943	10,880	9.8%
Asia.....	82,187	72,738	13.0%	568,329	520,176	9.3%
Oceania.....	561	736	-23.8%	4,569	4,710	-3.0%
Total.....	127,477	114,372	11.5%	886,893	819,209	8.3%
Country						
China.....	59,300	51,348	15.5%	410,364	372,060	10.3%
Japan.....	9,108	9,223	-1.2%	63,180	63,800	-1.0%
United States.....	7,457	6,764	10.2%	50,143	47,662	5.2%
India(e).....	6,160	5,794	6.3%	41,796	39,788	5.0%
Russia(e).....	5,950	5,505	8.1%	40,692	38,357	6.1%
South Korea.....	5,659	4,649	21.7%	39,525	33,236	18.9%
Germany.....	3,669	3,472	5.7%	26,865	26,217	2.5%
Brazil.....	3,121	2,885	8.2%	20,948	19,264	8.7%
Turkey.....	2,858	2,396	19.3%	19,262	15,917	21.0%
Ukraine(e).....	2,730	2,476	10.3%	20,432	19,158	6.6%
All Others.....	24,195	22,336	8.3%	174,118	162,908	6.9%

Source: World Steel Association, 8/11; e=estimate



Source: World Steel Association, 8/11; in million metric tons



Source: World Steel Association, 8/11; in million metric tons

Table 4: US Stainless Steel Imports and Consumption, June 2011						
	Imports			Consumption		
(in tons)	June 2011	June 2010	% Chg	June 2011	June 2010	% Chg
Stainless sheet/strip	30,465	34,250	-11.1%	119,173	94,118	26.6%
Stainless plate	14,150	6,969	103.0%	27,608	14,095	95.9%
Stainless bar	12,566	9,528	31.9%	23,234	18,551	25.2%
Stainless rod	2,628	1,577	66.6%	7,397	4,884	51.5%
Stainless wire	3,872	3,778	2.5%	4,713	4,544	3.7%
Total Stainless	63,681	56,103	13.5%	182,124	136,191	33.7%
Alloy tool steel	8,258	6,964	18.6%	na	na	--
Electrical steel	7,800	7,202	8.3%	22,438	14,336	56.5%

Source: American Metal Market, 9/1/11

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Table 5: Mega Mergers in 2010 & 2011 Valued at \$1 Billion or More							
Month	Target Name	Target Nation	Acquirer Name	Acquirer Nation	Status	Value (US\$ Bil)	Category
Aug'10	Potash Corp of Saskatchewan	Canada	BHP Billiton	United Kingdom	Withdrawn	39.8	Other
May'10	Vale SA -- Aluminum Operations	Brazil	Norsk Hydro	Norway	Completed	5.0	Other
Jul'10	Arcelor Mittal NV- Stainless Division	Luxembourg	Shareholders	na	Completed	3.2	Other
Oct'10	CommScope Inc	United States	Carlyle Group	US	Completed	3.0	Other
Apr'10	BSG Resources	Guernsey	Vale SA	Brazil	Completed	2.5	Steel
Jun'10	Hangang Hanbao Iron & Steel Co Ltd	China	Hebei Iron & Steel Co Ltd	China	Pending	2.4	Steel
Jun'10	Mineracao Usiminas	Brazil	Sumitomo	Japan	Completed	1.9	Iron Ore
Dec'10	Anshan Iron & Steel Group Corp -- Assets	China	Pangang Group Steel	China	Pending	1.7	Steel
Jun'10	Gerdau Ameristeel Corp	Canada	Gerdau Steel North America	Canada	Completed	1.6	Steel
Nov'10	Draka Holding NV	Netherlands	Tianjin Xinmao Science/Tech	China	Withdrawn	1.4	Other
Mar'10	Rio Tinto PLC - Simandou Iron Ore	Guinea	Aluminum Corp of China	China	Pending	1.4	Iron Ore
Aug'10	ArcelorMittal South Africa Operations	South Africa	Lexshell 771 Investments	South Africa	Pending	1.3	Steel
Nov'10	Draka Holding NV	Netherlands	Prysmian SpA	Italy	Completed	1.3	Other
Mar'10	Itaminas Comercio de Minerios SA	Brazil	East China Mineral	China	Pending	1.2	Other
Jul'10	Parapanema	Brazil	Vale SA	Brazil	Withdrawn	1.1	Other
Jul'10	JSW Steel Ltd	India	JFE Steel Corp	Japan	Completed	1.0	Steel
Oct'10	Draka Holding	Netherlands	Nexans SA	France	Withdrawn	1.0	Other
Jan'11	Consolidated Thompson Iron	Canada	Cliffs Natural Resources Inc	US	Completed	4.1	Iron Ore
Jan'11	Elkem AS	Norway	China National Bluestar Group	China	Completed	2.2	Aluminum
Mar'11	Cia Brasileira de Mineracao/Metalurg	Brazil	Investor Group	Japan	Pending	2.0	Steel
Mar'11	Severstal NA - Warren, Wheeling	United States	The Renco Group Inc	United States	Completed	1.2	Steel

Source: PriceWaterhouseCoopers Forging Ahead Report, 2nd Quarter, 2011

Table 6: Mega Mergers in 2010 & 2011 Valued at \$50 Million or More												
	2008		2009				2010				2011	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Number of Deals	35	27	18	17	24	38	24	23	33	25	25	36
Total Value (US\$ bil)	22.2	16.3	11.8	63.1	7.5	10.6	6.3	17.5	53.4	13.7	13.0	6.9
Avg Deal Value (US\$ bil)	0.6	0.6	0.7	3.7	0.3	0.3	0.3	0.8	1.6	0.5	0.5	0.2

Source: PriceWaterhouseCoopers Forging Ahead Report, 2nd Quarter, 2011

Date	Company	Location	Alleged Cause
Feb 4	ArcelorMittal USA	LaPlace, LA	Molten metal erupts from ladle
Feb 12	Erie Coke	Erie, PA	Struck by front-end loader
Feb 14	Steel Warehouse	South Bend, IN	Pinned between forklift and truck
Feb 15	Republic Engineered	Canton, OH	Crushed by hydraulic truck door
Feb 16	Norfolk Iron & Metal	Norfolk, NE	Struck by heavy metal tray
Feb 28	Bingham Lake Salvage	Bingham Lake, MN	Hit by vehicle on forklift that was being dismantled
Mar 8	Allegheny Ludlum	New Castle, IN	Scissor lift collapses, pinning worker
Mar 31	AK Steel (coke plant)	Ashland, KY	Explosion and fire
Apr 1	American Metal Recycling	Fontana, CA	Flash fire erupts as workers use torches to cut metal
Apr 19	Iron Dynamics	Butler, IN	Fall through roof
Apr 20	Western Metal Recycling	Pueblo, CO	Worker cut through pressurized tank; explosion
May 9	Plakos Scrap Processing	New York, NY	Struck by a forklift
May 17	Iron Ore of Canada	Labrador City	Not available
May 23	Nucor	Memphis, TN	Accident in storage yard
May 26	Waccamaw Metal	Myrtle Beach, SC	Crushed by dumpster being unloaded
Jun 6	Metalico	Rochester, NY	Crushed in metal compactor
Jun 7	Acme Galvanizing	Milwaukee, WI	Steel beam fell on worker
Jul 11	Alpha Natural Resources	Martin County, KY	Crushed between machinery and steel beam
Jul 31	Keystone Steel & Wire	Peoria, IL	Struck steel beam while driving motorized cart
Aug 10	F&G Recycling	Enfield, CT	Struck by loader
Aug 10	Sadoff Iron & Metal	Fond du Lac, WI	Trapped in shear while performing maintenance
Aug 13	Kantner Iron & Steel	Stoystown, PA	Torch-cut box filled with gunpowder, which exploded
Aug 15	Arch Coal	Sharples, WV	Struck by falling rock
Aug 17	Hundt's Auto Salvage	Plymouth, IN	Crushed by vehicle being dismantled
Sep 6	Commercial Metals	Magnolia, AK	Safety harness caught on overhead crane pulley

Source: American Metal Market, 9/13/11

Company	Sales*	% Chg	Income*	% Chg	Outlook
Magna International	\$7,340	24.4%	\$282.0	-4.1%	Will add 30 new facilities through 2013
Faurecia 1,2	5,960	15.7%	264.3	82.4%	Steady growth in the 2nd half in all regions
Cummins Inc	4,640	44.5%	505.0	105.3%	Global end-market demand strong
TRW Automotive Holdings	4,230	15.6%	293.0	29.0%	Projects 14% sales growth in third quarter
Delphi Automotive LLP	4,210	22.0%	298.0	39.3%	na
Lear Corp	3,680	21.1%	177.5	11.1%	Backlogs rose 40% in N. America, 35% in EU
Dana Holding Corp	1,930	26.1%	70.0	600.0%	2011 revenues to rise 25% over 2010
Tenneco Inc	1,890	26.0%	50.0	25.0%	Revenue outpacing industry growth
American Axle & Manu	690	23.2%	49.2	93.7%	Ramping up new business backlog
Martinrea International Inc 3	480	14.3%	16.6	36.1%	Prospects bright due to new business awards

Source: Compiled by AMM from company reports, presentations and SEC filings. *Sales and income are in millions. 1. Converted from euros. 2. Sales are second quarter, income is first half. 3. Converted from Canadian dollars. Note: Percent changes are from the second quarter of 2010 to the second quarter of 2011.

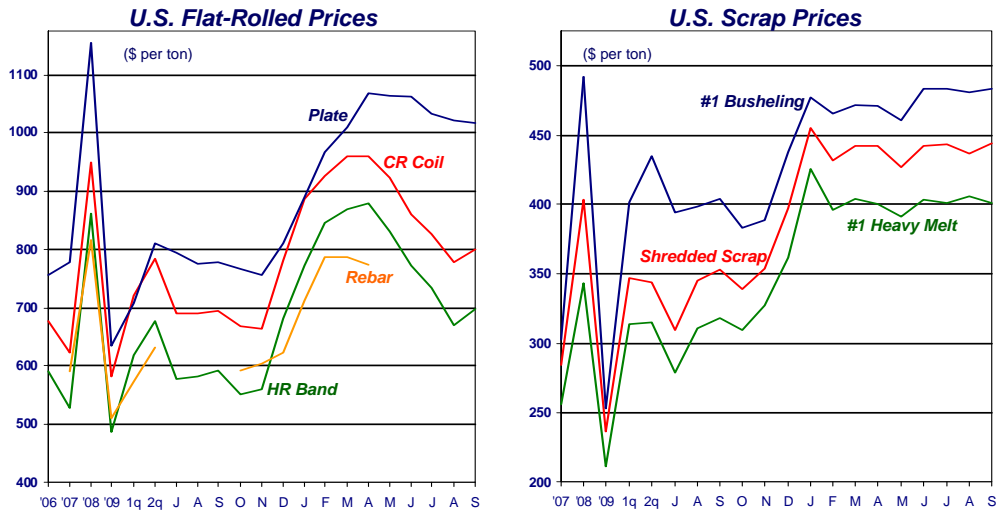
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Table 9: Top U.S. Service Centers, by Revenue*

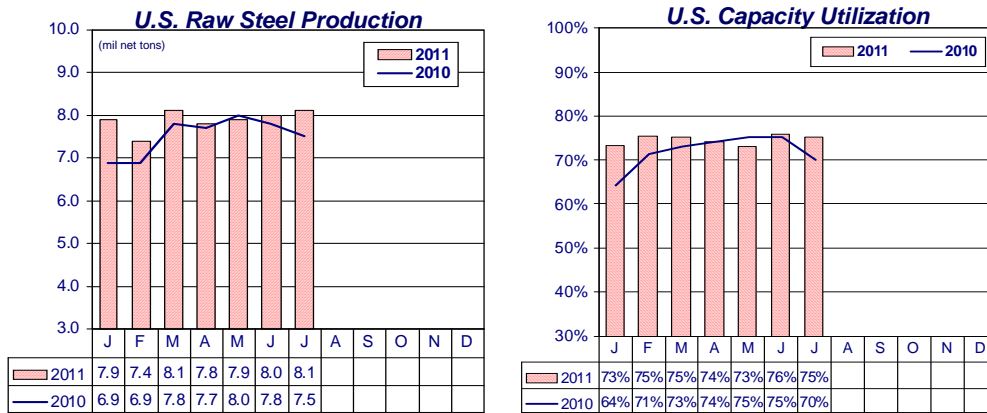
	Revenue* (in millions)	Aluminum	Bar/Tubing /Structural	Carbon Flat-roll	Carbon Plate	Copper & Brass	Stainless Steel
Reliance Steel	\$6,310	15%-30%	15%-30%	<15%	<15%	<15%	15%-30%
McJunkin Red Man Corp	3,960	NA	NA	NA	NA	NA	NA
Ryerson Inc.	3,900	15%-30%	<15%	15%-30%	<15%	<15%	15%- 30%
ThyssenKrupp Material	2,400	>30%	<15%	15%-30%	<15%	15%-30%	15%- 30%
Samuel, Son & Co.	2,667	15%-30%	<15%	>30%	15%-30%	<15%	15%-30%
Russel Metals Inc.	2,357	3%	28%	5%	21%	NA	NA
O'Neal Steel Inc.	1,900	15%-30%	15%-30%	<15%	15%-30%	<15%	15%-30%
Steel Technologies	1,520	NA	NA	>30%	NA	NA	NA
Worthington Steel	1,400	<15%	<15%	>30%	<15%	<15%	<15%
Macsteel Service Centers	1,300	NA	NA	NA	NA	NA	NA
Metals USA Holdings	1,209	<15%	15%-30%	>30%	15%-30%	<15%	<15%
Namasco Corp.	1,175	<15%	15%-30%	15%-30%	>30%	<15%	<15%
Alro Steel Corp.	1,050	NA	NA	NA	NA	NA	NA
A.M. Castle & Co.	1,036	23%	37%	0%	0%	0%	27%
Marmom/Keystone	925	<15%	>30%	NA	NA	NA	30%
Steel Warehouse Co.	890	NA	NA	80%	20%	NA	NA
Olympic Steel Inc.	805	<15%	<15%	>30%	>30%	<15%	<15%
Kenwal Steel Corp.	750	NA	NA	>30%	NA	NA	NA
Central Steel & Wire	708	NA	NA	NA	NA	NA	NA
Heidtman Steel	600	NA	NA	>30%	NA	NA	NA
Triple-S Supply	500	<15%	>30%	15%-30%	>30%	<15%	<15%
Majestic Steel USA	425	NA	NA	>30%	NA	NA	NA
Esmark Steel Group	400	<15%	<15%	>30%	<15%	NA	NA
Mill Steel Co.	400	NA	NA	>30%	NA	NA	NA
Norfolk Iron & Metal	400	NA	>30%	>30%	15%-30%	NA	NA
Kelly Pipe Co.	400	NA	95%	NA	NA	NA	NA
McNeilus Steel Inc.	260	<15%	15%-30%	>30%	15%-30%	<15%	<15%
Brown-Strauss Steel	250	NA	>30%	NA	NA	NA	NA
Ranger Steel Services	227	NA	NA	NA	>30%	NA	NA
Contractors Steel Co.	226	NA	>30%	>30%	>30%	NA	NA
Friedman Industries Inc.	221	NA	NA	15%-30%	15%-30%	NA	NA
Magic Steel Sales LLC	220	NA	NA	>30%	NA	NA	NA
Eastern Metal Supply Inc.	200	100%	NA	NA	NA	NA	NA
Chicago Tube & Iron Co.	185	<15%	>30%	<15%	<15%	<15%	15%-30%
Trident Steel Corp.	182	NA	100%	NA	NA	NA	NA
Pacesetter Steel Service	180	NA	NA	>30%	NA	NA	NA
Liberty Steel Products	175	3%- 5%	NA	90%	NA	NA	5%
Monarch Steel Co.	163	NA	NA	90%	10%	NA	NA
Admiral Metals	160	>30%	NA	NA	NA	>30%	15%-30%
Cambridge-Lee Industries	150	NA	NA	NA	NA	NA	NA
Friedman Industries	221	NA	NA	15%-30%	15%-30%	NA	NA
Magic Steel Sales LLC	220	NA	NA	>30%	NA	NA	NA
Eastern Metal Supply Inc.	200	100%	NA	NA	NA	NA	NA
Chicago Tube & Iron Co.	185	<15%	>30%	<15%	<15%	<15%	15%-30%
Trident Steel Corp.	182	NA	100%	NA	NA	NA	NA

Source: American Metal Market, August/September, 2011; *latest 12 month period; non-respondents to this survey not included

Locker Associates Steel Track: Spot Prices



Locker Associates Steel Track: Performance



Steel Mill Products: US Imports, July & Year-to-Date

Imports: Country of Origin (000 net tons)	Month of July			Year-to-Date		
	2011	2010	% Chg	2011	2010	% Chg
Canada.....	454	630	-27.9%	3,562	4,151	-14.2%
Mexico.....	251	183	37.2%	1,866	1,718	8.6%
Other W. Hemisphere.....	300	49	512.2%	1,819	596	205.2%
European Union.....	417	453	-7.9%	2,618	2,471	5.9%
Other Europe*.....	238	355	-33.0%	1,737	1,403	23.8%
Asia.....	820	651	26.0%	4,895	3,292	48.7%
Oceania.....	122	96	27.1%	655	444	47.5%
Africa.....	18	8	125.0%	114	57	100.0%
Total	2,620	2,425	8.0%	17,266	14,131	22.2%
Imports: Customs District						
Atlantic Coast.....	249	302	-17.5%	2,123	1,933	9.8%
Gulf Coast/Mexican Border...	1,214	816	48.8%	7,452	4,593	62.2%
Pacific Coast.....	515	503	2.4%	3,346	2,704	23.7%
Gr Lakes/Canadian Border....	628	778	-19.3%	4,226	4,772	-11.4%
Off Shore.....	14	26	-46.2%	119	129	-7.8%

Source: AISI; *includes Russia

Locker Associates, Inc.

LOCKER ASSOCIATES is a business-consulting firm that specializes in enhancing the competitiveness of businesses and industries on behalf of unions, corporate and government clients. By combining expert business and financial analysis with a sensitivity to labor issues, the firm is uniquely qualified to help clients manage change by:

- ◆ leading joint labor/management business improvement initiatives;
- ◆ facilitating ownership transitions to secure the long-term viability of a business;
- ◆ conducting strategic industry studies to identify future challenges and opportunities;
- ◆ representing unions in strategic planning, workplace reorganization and bankruptcy;
- ◆ formulating business plans for turnaround situations; and
- ◆ performing due diligence for equity and debt investors.

Over the last 28 years, the firm has directed over 225 projects spanning manufacturing, transportation, distribution and mining industries. Typical projects involve in-depth analysis of a firm's market, financial and operating performance on behalf of a cooperative labor-management effort. Locker Associates also produces a widely read monthly newsletter, **Steel Industry Update** that circulates throughout the U.S. and Canadian steel industry.

MAJOR CLIENTS

United Steelworkers	Air Line Pilots Association/Delta Air Lines MEC
Bank of Boston	Sharpsville Quality Products
Congress Financial	IPSCO
Santander Investment Securities	International Association of Machinists
AEIF-IAM/AK Steel Middletown	CSEA/AFSCME
Prudential Securities	United Auto Workers
US Steel Joint Labor-Mgmt Comm	Service Employees International Union
LTV Steel Joint Labor-Mgmt Committee	American Fed of Television & Radio Artists
Int'l Union of Electrical Workers	Supervalu
Bethlehem Joint Labor-Mgmt Comm	United Mine Workers
Inland Steel Joint Labor-Mgmt Comm	Algoma Steel
Northwestern Steel and Wire	North American Refractories
Boilermakers	UNITE/HERE
American Federation of Musicians	AFL-CIO George Meany Center
USS/KOBE	Watermill Ventures
Sysco Food Services of San Francisco	Wheeling-Pittsburgh Steel
International Brotherhood of Teamsters	Canadian Steel Trade & Employment Congress
Development Bank of South Africa	Minn Gov's Task Force on Mining
J&L Structural Steel	Special Metals

RECENT PROJECTS

- **Business Plan for High-Tech Startup** (2009-present): drafted detailed business plan to raise capital and promote a new hydrogen battery technology
- **IBT-Supervalu** (2010): assist union and management to identify major operational problems impacting warehouse performance and provide recommendations for joint improvement
- **Institute of Scrap Recycling Industries** (2010): presented a status report on the U.S. steel market before the Institute of Scrap Recycling Industries Commodities roundtable
- **Save the World Air-Marketing** (2009-present): developed a marketing plan to help drive sales of a green technology product, ELEKTRA, an electronic fuel device for trucks that increases fuel economy (mpg's), reduces exhaust emissions and improves engine performance