



Bagdad Plant
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Leechburg, PA 15656
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Thomas J. Nese
Marketing and Technical Services Manager
Electrical Steels

February 13, 2007

To Our Valued Customers:

Subject: Silicon Electrical Steel Surcharge

Effective with shipments beginning Thursday, March 1, 2007, a surcharge of \$303 per ton (\$15.15/cwt) is being added to silicon electrical steel invoices. This surcharge is subject to monthly adjustment.

For further information, contact your ATI Allegheny Ludlum sales representative or visit our web site at www.alleghenyludlum.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Nese", written in a cursive style.

Thomas J. Nese
Marketing and Technical Services Manager
Electrical Steels