



Bagdad Plant
585 Silicon Drive
Leechburg, PA 15656
Phone: 1-800-289-7454
e-mail: tnese@alleghenyludlum.com

Thomas J. Nese
Marketing and Technical Services Manager
Electrical Steels

June 9, 2006

To Our Valued Customers:

Subject: Silicon Electrical Steel Surcharge

Effective with shipments beginning Saturday, July 1, 2006, a surcharge of \$338 per ton (\$16.90/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,

Thomas J. Nese
Marketing and Technical Services Manager
Electrical Steels