



1300 Pacific Avenue
Natrona Heights, PA 15065
Phone: (724) 226-6259

Terrence L. Hartford
Vice President & General Manager - Sheet

Thomas P. DeLuca
General Manager – Specialty & Titanium Sheet

Thomas J. Matway
General Manager – Precision Rolled Strip

Jeffrey H. Thompson
General Manager – Specialty Plate

April 7, 2008

RE: Surcharge Changes

Dear Valued Customer:

In response to the continuing escalation of raw material prices, ATI Allegheny Ludlum is announcing the following changes to its surcharge policy for certain stainless and HTA nickel alloy sheet, strip, Precision Rolled Strip®, and specialty plate products:

1. Addition of Niobium Surcharge

A niobium surcharge will apply to all grades with an ASTM minimum niobium requirement.

2. Addition of Copper Surcharge

- a. A copper surcharge will apply to all grades with an ASTM minimum copper requirement.
- b. The trigger level for the copper surcharge is a copper price of \$1.60/lb. The surcharge is based on the London Metal Exchange (LME) monthly average copper price.

3. Modification of HTA Nickel Alloy and Stainless Surcharge for Chromium

The chromium surcharge will be modified for certain HTA nickel alloy and certain stainless grades to more accurately reflect consumption of premium chromium units required in manufacturing. The alloys involved in this change currently include the following: AL 22™, AL 800™, AL 800AT™, AL 600™, AL 601™, ALTEMP® A286, ALTEMP® HX, AL 625, AL 276™, AL 825™, ALTEMP® 718, ALTEMP® X-750, ALTEMP® 263, and AL 332Mo™, AL 388, AL 255 and AL 219. Chromium required for these grades is purchased in a variety of forms (ferrochrome, aluminothermic chromium, electrolytic chromium, etc.). The new chromium surcharge will reflect a composite chromium charge mix required for each of these grades.

4. Effective Dates

- a. Stainless Alloys: The new surcharges are effective with May 4, 2008 shipments.
- b. HTA Nickel Alloys: The new surcharges are effective immediately with new orders entered.

All other components of the surcharges remain unchanged as described on our website www.alleghenyludlum.com.

We thank you for your continued business and support. If you have any questions, please contact your ATI Allegheny Ludlum sales representative.

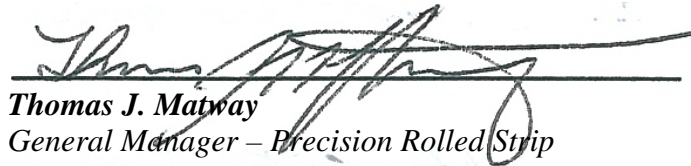
Sincerely,



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