



Bagdad Plant
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Thomas J. Nese
Marketing and Technical Services Manager
Grain-Oriented Electrical Steel

July 24, 2008

To Our Valued Customers:

Subject: Grain-Oriented Electrical Steel Surcharge

Effective with shipments beginning Monday, September 1, 2008, a surcharge of \$1,167 per ton (\$58.35/cwt) is being added to grain-oriented 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 blue ink that reads "Thomas J. Nese". The signature is fluid and cursive, written over a light blue circular stamp.

Thomas J. Nese
Marketing and Technical Services Manager
Grain-Oriented Electrical Steel