

ACS Industries, Inc.
 Raw Material Surcharge Policy
 Monthly Surcharge Calculations
 For Orders Shipped: Oct. 1-31, 2007



| Alloy | Ni -Nickel | Cr -Chrome | Fe - Iron | Moly | Cu - Copper | Al - Aluminum | Surcharge Sub Total | 6% Scrap Factor*** | Total Raw Material Surcharge / Lb.**** |
|---------------------|-------------------|------------|-----------|-----------|-------------|---------------|---------------------|--------------------|--|
| Base Price/Lb.* | \$ 2.000 | \$ 0.350 | \$ 0.064 | \$ 3.000 | \$ 0.750 | \$ 0.650 | | | |
| Current Price/Lb.** | \$ 12.543 | \$ 1.279 | \$ 0.138 | \$ 31.690 | \$ 3.368 | \$ 1.096 | | | |
| Surcharge Applied | \$ 10.543 | \$ 0.929 | \$ 0.075 | \$ 28.690 | \$ 2.618 | \$ 0.446 | | | |
| 304L | % / Lb. 9.25% | 19.00% | 68.60% | 0.00% | 0.00% | 0.00% | | | |
| | \$ / Lb. \$ 0.975 | \$ 0.176 | \$ 0.051 | \$ - | \$ - | \$ - | \$ 1.203 | \$ 0.072 | \$ 1.275 |
| 309 SS | % / Lb. 13.50% | 23.00% | 60.20% | 0.00% | 0.00% | 0.00% | | | |
| | \$ / Lb. \$ 1.423 | \$ 0.214 | \$ 0.045 | \$ - | \$ - | \$ - | \$ 1.682 | \$ 0.101 | \$ 1.783 |
| 310 SS | % / Lb. 20.50% | 25.00% | 50.70% | 0.00% | 0.00% | 0.00% | | | |
| | \$ / Lb. \$ 2.161 | \$ 0.232 | \$ 0.038 | \$ - | \$ - | \$ - | \$ 2.431 | \$ 0.146 | \$ 2.577 |
| 316 SS | % / Lb. 12.00% | 17.00% | 65.40% | 2.50% | 0.00% | 0.00% | | | |
| | \$ / Lb. \$ 1.265 | \$ 0.158 | \$ 0.049 | \$ 0.717 | \$ - | \$ - | \$ 2.189 | \$ 0.131 | \$ 2.321 |
| 321 SS | % / Lb. 10.50% | 18.00% | 67.80% | 0.00% | 0.00% | 0.00% | | | |
| | \$ / Lb. \$ 1.107 | \$ 0.167 | \$ 0.051 | \$ - | \$ - | \$ - | \$ 1.325 | \$ 0.079 | \$ 1.404 |
| 430 SS | % / Lb. 0.00% | 17.00% | 80.80% | 0.00% | 0.00% | 0.00% | | | |
| | \$ / Lb. \$ - | \$ 0.158 | \$ 0.060 | \$ - | \$ - | \$ - | \$ 0.218 | \$ 0.013 | \$ 0.231 |
| A286 | % / Lb. 25.50% | 14.75% | 53.50% | 1.38% | 0.00% | 0.00% | | | |
| | \$ / Lb. \$ 2.688 | \$ 0.137 | \$ 0.040 | \$ 0.396 | \$ - | \$ - | \$ 3.261 | \$ 0.196 | \$ 3.457 |
| Al | % / Lb. 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% | | | |
| | \$ / Lb. \$ - | \$ - | \$ - | \$ - | \$ - | \$ 0.446 | \$ 0.446 | \$ 0.027 | \$ 0.473 |
| Carp 20 | % / Lb. 35.00% | 20.00% | 34.85% | 2.50% | 3.50% | 0.00% | | | |
| | \$ / Lb. \$ 3.690 | \$ 0.186 | \$ 0.026 | \$ 0.717 | \$ 0.092 | \$ - | \$ 4.711 | \$ 0.283 | \$ 4.993 |
| Cu | % / Lb. 0.00% | 0.00% | 0.00% | 0.00% | 100.00% | 0.00% | | | |
| | \$ / Lb. \$ - | \$ - | \$ - | \$ - | \$ 2.618 | \$ - | \$ 2.618 | \$ 0.157 | \$ 2.775 |
| Inc 600 | % / Lb. 72.00% | 15.50% | 9.60% | 0.00% | 0.00% | 0.00% | | | |
| | \$ / Lb. \$ 7.591 | \$ 0.144 | \$ 0.007 | \$ - | \$ - | \$ - | \$ 7.742 | \$ 0.465 | \$ 8.207 |
| Inc 601 | % / Lb. 60.50% | 23.00% | 11.90% | 0.00% | 0.25% | 0.00% | | | |
| | \$ / Lb. \$ 6.378 | \$ 0.214 | \$ 0.009 | \$ - | \$ 0.007 | \$ - | \$ 6.607 | \$ 0.396 | \$ 7.004 |
| Monel 400 | % / Lb. 66.00% | 0.00% | 2.50% | 0.00% | 31.00% | 0.00% | | | |
| | \$ / Lb. \$ 6.958 | \$ - | \$ 0.002 | \$ - | \$ 0.812 | \$ - | \$ 7.772 | \$ 0.466 | \$ 8.238 |
| Phos. Bronze | % / Lb. 0.00% | 0.00% | 0.00% | 0.00% | 95.00% | 0.00% | | | |
| | \$ / Lb. \$ - | \$ - | \$ - | \$ - | \$ 2.487 | \$ - | \$ 2.487 | \$ 0.149 | \$ 2.636 |
| SnCu | % / Lb. 0.00% | 0.00% | 0.00% | 0.00% | 98.00% | 0.00% | | | |
| | \$ / Lb. \$ - | \$ - | \$ - | \$ - | \$ 2.565 | \$ - | \$ 2.565 | \$ 0.154 | \$ 2.719 |

Surcharge Policy Notes:

- * Base Price / Lb. is an approximation of a commodity's price on metal exchanges in the Policy's base year, 2003. This is the price
- ** Current Price / Lb. is the material's trailing two-month's (i.e. November calculations use September's closing spot averages) on
- *** ACS factors 6% total scrap on raw material - 3% for wire processing and 3% for part fabrication.
- **** Total Surcharge / Lb. equals the Surcharge Sub Total plus the Scrap Factor and is the value applied to individual part weights.

Surcharge Policy Citations:

- 1) For the trailing two months' London Metal Exchange averages used for Nickel, Chrome, Iron and Moly, please visit:
http://www.aksteel.com/markets_products/stainless_surcharges.asp
<http://www.allegHENYludlum.com/ludlum/pages/SurchargeCalculator/SurchargeFront.asp?type=Stainless%20Steel>
- 2) For the trailing two months' New York Mercantile Exchange averages used for Copper, please visit:
http://www.nymex.com/cop_fut_histspot.aspx
- 3) For the trailing two months' New York Mercantile Exchange averages used for Aluminum please visit:
http://www.nymex.com/alu_fut_histspot.aspx