

AK Steel Corporation

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Gary Barlow

*Vice President
Sales & Customer Service*

July 22, 2011

To: Our Valued Stainless Steel Customers

Subject: Change in Stainless Steel Surcharge

Effective with shipments on October 2, 2011, AK Steel will change the timing schedule of alloy prices used in the surcharge calculation. This change applies to all AK Steel 200, 300, and 400 series stainless flat rolled steel products. This change is being made to decrease the volatility in the stainless steel market.



The surcharge calculation for each month's shipments will be based on the following:

- The nickel component of the surcharge will be determined using the average LME daily cash settlement price from the 21st day of the prior month through the 20th day of the current month. This average price will determine the nickel component for the next month's surcharge.
- The other raw material values will use weekly averages from the 4 weeks prior to the 23rd day of the current month. The average of the 4 weeks will determine the surcharge for the following month.
- If the raw material does not have daily or weekly published prices, the previous month's settlement price will be used for the following month's surcharge.
- Surcharges will change the Sunday prior to the first Wednesday of each month.

AK Steel's surcharges are published under the Products & Markets section of the company's website, at www.aksteel.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gary Barlow'. The signature is written in a cursive, flowing style.