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***John Tumazos Very Independent Research, LLC registration as investment advisor effective in New Jersey on August 27, 2007. This report is complimentary as we transition to operational from developmental.***

DETAILED INTERPRETATION OF SEMI-ANNUAL CAPACITY SURVEY SHOW SOME DELAYS, AND UPWARD REVISION TO ASIA

The IAI predicted capacity at the end of 2007, 2008 and 2009 at 26.35 mmt, 27.235 mmt and 27.921 mmt versus estimates six months earlier at 26.9, 27.7 and 28.045 mmt, respectively. The IAI update communicated “delays’ of 0.6 for 2007 and 0.5 mmt for 2008. It INCREASED its December 2009 capacity estimate by 20,000 tonnes.

The IAI data is “inherently incomplete” as it makes no capacity estimate for China, for which capacity growth is more rapid and will exceed one-third of the world primary smelter total.

Further, it gives little effect to planned capacity additions in the Mideast, Russia, Iceland, etc. We interpret the IAI as a “minimum capacity estimate” as it tabulates nothing UNTIL EVERY “I” IS DOTTED AND “T” CROSSED. For example, it tabulates very little of the 6.1 mmt Mideast additions in eight nations mostly between 2010 and 2014 nor Rusal’s intention to double.

We regard our estimate of December 2013 world smelter capacity excluding China at 34.6 mmt and including China at 55.8 mmt metric tonnes as conservative minimum capacity levels that could be exceeded. Scrap recovery should add about 9 mmt to supply around 2013.

OUR UPDATED DEMAND-SUPPLY AND CAPACITY SPREADSHEETS

Using roughly 4.4% annual global demand growth rates for 2008-2010 after a 9.7% gain in 2007, a rosy “no recession scenario, we estimate IAI operating rates excluding China at 94.5% in 2007, 94.4% in 2008, 93.1% in 2009 and 92.7% in 2010.

**Table 1**  
**WORLD TOTAL ALUMINUM SUPPLY/DEMAND BALANCE**  
*(Thous. Metric Tonnes)*

	IAI		Average Operating Rate (%)	Scrap Recovery	China Output		Apparent Consumption	Annual Demand Growth	Days Supply Inventory	Avg. LME Ingot	
	Year-end Primary Capacity	IAI Primary Production			After 1995 (Imports from CIS)	Producers' Inventory					
					Total	Change					
1973	11,349	10,050	88.6%	2,698	134	3,005	-411	13,293	13.4%	80	\$0.31
1974	11,848	10,932	92.3%	2,759	174	3,691	687	13,178	-0.9%	99	\$0.43
1975	12,057	9,716	80.6%	2,430	-134	4,792	1,100	10,912	-17.2%	160	\$0.33
1976	12,410	10,034	80.9%	2,903	87	4,082	-709	13,733	25.9%	109	\$0.40
1977	12,810	11,122	86.8%	3,151	145	4,376	294	14,124	2.8%	113	\$0.46
1978	13,060	11,440	87.6%	3,326	123	3,950	-426	15,315	8.4%	94	\$0.48
1979	13,372	11,794	88.2%	3,571	128	3,419	-531	16,024	4.6%	78	\$0.73
1980	13,708	12,610	92.0%	3,638	113	4,134	650	15,711	-2.0%	97	\$0.81
1981	13,980	12,293	87.9%	3,778	164	5,370	1,149	15,086	-4.0%	129	\$0.57
1982	13,971	10,523	75.3%	3,749	103	5,013	-450	14,825	-1.7%	128	\$0.45
1983	14,268	10,805	75.7%	3,973	-68	3,853	-1,135	15,845	6.9%	97	\$0.66
1984	14,179	12,464	87.9%	3,961	36	4,570	759	15,702	-0.9%	77	\$0.57
1985	13,644	11,990	87.9%	4,013	-64	4,222	-425	16,364	4.2%	99	\$0.47
1986	13,390	11,990	89.5%	4,199	155	3,717	-368	16,712	2.1%	85	\$0.52
1987	13,595	12,608	92.7%	4,495	279	3,138	-548	17,930	7.3%	68	\$0.71
1988	13,819	13,501	97.7%	5,156	419	3,223	35	19,041	6.2%	62	\$1.16
1989	14,277	14,062	98.5%	4,943	299	3,265	42	19,262	1.2%	62	\$0.89
1990	14,731	14,186	96.3%	5,062	403	3,470	205	19,446	1.0%	65	\$0.75
1991	14,929	14,778	99.0%	5,392	1,150	4,337	867	20,453	5.2%	77	\$0.59
1992	15,767	14,763	93.6%	5,470	1,180	4,794	457	20,957	2.5%	83	\$0.57
1993	16,005	14,984	93.6%	6,051	1,750	6,072	1,279	21,507	2.6%	103	\$0.52
1994	16,015	14,368	89.7%	6,439	1,900	5,285	-787	23,494	9.2%	82	\$0.67
1995	19,496	17,342	89.0%	6,868	1,676	4,214	-1,071	26,957	7.6%	57	\$0.82
1996	20,254	18,639	92.0%	6,914	1,771	4,164	-50	27,374	1.5%	56	\$0.68
1997	20,862	19,479	93.4%	7,594	2,035	3,831	-333	29,441	7.6%	47	\$0.72
1998	21,390	19,949	93.3%	7,572	2,336	3,893	62	29,795	1.2%	48	\$0.62
1999	21,822	20,646	94.6%	8,132	2,599	4,070	177	31,400	5.4%	47	\$0.62
2000	22,299	21,191	95.0%	8,197	2,794	3,627	-443	32,625	3.9%	41	\$0.70
2001	22,993	20,551	89.4%	7,624	3,371	4,011	384	31,162	-4.5%	47	\$0.66
2002	23,429	21,199	90.5%	7,649	4,321	4,361	350	32,819	5.3%	49	\$0.61
2003	23,819	21,937	92.1%	7,656	5,547	4,713	352	34,787	6.0%	49	\$0.65
2004	24,644	22,591	91.7%	7,560	6,689	4,122	-591	37,432	7.6%	40	\$0.78
1Q05		5,628	89.2%	1,924	1,741	4,080	-42	9,335	1.8%	40	\$0.87
2Q05		5,844	91.6%	1,940	1,912	3,954	-125	9,821	4.2%	37	\$0.82
3Q05		5,972	92.6%	1,885	2,043	4,268	314	9,586	1.9%	41	\$0.84
4Q05		6,019	93.4%	1,943	2,047	4,115	-153	10,162	8.4%	37	\$0.93
2005	25,578	23,463	91.7%	7,692	7,806	4,115	-7	38,968	4.1%	39	\$0.86
1Q06		5,860	92.1%	1,955	2,060	4,172	57	9,818	5.2%	39	\$1.09
2Q06		5,941	93.3%	1,950	2,250	4,097	-76	10,216	4.0%	37	\$1.21
3Q06		5,990	94.1%	1,986	2,420	3,834	-263	10,659	11.2%	33	\$1.13
4Q06		6,075	95.4%	1,951	2,619	3,917	84	10,561	3.9%	34	\$1.24
2006	25,816	23,866	92.4%	7,841	9,349	3,917	-198	41,254	5.9%	35	\$1.17
1Q07		6,027	92.8%	1,985	2,859	4,031	114	10,757	9.6%	34	\$1.27
2Q07		6,200	95.4%	2,025	3,031	3,904	-127	11,383	11.4%	31	\$1.25
3Q07		6,275	96.6%	2,010	3,200	4,000	96	11,389	6.8%	32	\$1.16
4Q07		6,400	98.5%	2,000	3,400	4,075	75	11,725	11.0%	32	\$1.15
2007E	26,350	24,902	94.5%	8,020	12,490	4,075	158	45,254	9.7%	33	\$1.21
2008E	27,235	25,700	94.4%	8,220	13,490	4,400	325	47,085	4.0%	34	\$1.12
2009E	28,464	26,500	93.1%	8,420	14,490	4,600	200	49,210	4.5%	34	\$0.95
2010E	29,675	27,500	92.7%	8,620	15,490	4,750	150	51,460	4.6%	34	\$0.93
2011E	31,291	28,750	91.9%	8,820	16,490	5,000	250	53,810	4.6%	34	\$0.95
2012E	32,580	30,000	92.1%	9,020	17,490	5,250	250	56,260	4.6%	34	\$0.95
2013E	34,566	31,500	91.1%	9,220	18,490	5,600	350	58,860	4.6%	35	\$0.95

Sources: JF Very Independent Research, LLC Est.; Int'l Alum. Institute; World Bureau of Metal Statistics; Alum. Asso.; China & CIS from

**MOST OF WORLD SMELTER CAPACITY BY REGION**

*(000 metric tonnes)*

Period Ending	Reported As of	Africa	North America	Latin America	China (excluded)	Asia	Western Europe	Eastern Europe	Russia	Oceania	Total (excl- China)
6/30/2000	12/31/2000	1,260	6,582	2,187	2,800	2,335	3,785	438	3,187	2,080	21,854
12/31/2000	6/30/2001	1,512	6,684	2,192	2,900	2,271	3,854	438	3,266	2,082	22,299
6/30/2001	12/31/2001	1,541	7,040	2,207	2,900	2,283	3,884	438	3,267	2,095	22,755
12/31/2001	12/31/2001	1,541	7,158	2,204	3,300	2,316	3,933	438	3,303	2,100	22,993
6/30/2002	12/31/2001	1,562	7,186	2,236	3,600	2,326	3,905	438	3,380	2,096	23,129
12/31/2002	12/31/2003	1,567	7,197	2,272	4,400	2,474	3,997	438	3,381	2,103	23,429
6/30/03	12/31/2003	1,545	6,973	2,350	4,900	2,489	4,215	438	3,430	2,174	23,614
12/31/2003	6/30/2004	1,595	6,986	2,325	5,500	2,623	4,185	438	3,474	2,193	23,819
6/30/2004	12/31/2004	1,947	6,723	2,357	6,200	2,630	4,293	438	3,613	2,245	24,246
12/31/2004	12/31/2004	2,039	6,727	2,373	7,000	2,798	4,352	438	3,661	2,256	24,644
6/30/2005	2/20/2006	2,066	7,007	2,400	8,000	3,239	4,363	438	3,707	2,266	25,486
12/31/2005	8/21/2006	2,091	6,795	2,412	9,500	3,492	4,356	438	3,725	2,269	25,578
6/30/2006	2/20/2007	2,100	6,814	2,497	10,500	3,492	4,249	450	3,733	2,276	25,611
12/31/2006	9/4/2007	2,116	6,629	2,541	11,500	3,603	4,429	450	3,770	2,278	25,816
6/30/2007	9/4/2007	2,119	6,559	2,586	12,500	3,636	4,367	450	4,004	2,316	26,037
12/31/2007	9/4/2007	2,140	6,559	2,731	13,000	3,674	4,509	452	3,967	2,318	26,350
6/30/2008	9/4/2007	2,138	6,571	2,753	13,500	3,770	4,718	452	4,161	2,341	26,904
12/31/2008	9/4/2007	2,146	6,571	2,760	14,000	4,060	4,744	452	4,161	2,341	27,235
6/30/2009	9/4/2007	2,170	6,573	2,761	9,000	4,485	4,771	454	4,216	2,356	27,786
12/31/2009	9/4/2007	2,177	6,573	2,764	15,000	4,610	4,771	455	4,215	2,356	27,921
6/30/2010	9/4/2007	2,190	6,612	2,780	15,500	4,735	4,679	455	4,642	2,371	28,464
12/31/2010	JTVIR Est.	2,194	6,612	2,794	17,000	5,500	4,679	457	5,058	2,380	29,675
12/31/2011	JTVIR Est.	2,244	6750	2,850	18,250	6250	4,779	460	5,558	2400	31,291
12/31/2012	JTVIR Est.	2,294	6800	2,907	19,500	6750	4,879	462	6,063	2425	32,580
12/31/2013	JTVIR Est.	2,344	6800	2,965	20,750	8000	4,979	464	6,563	2450	34,566
Change 2000 v. 1995		642	596	108	2,900	531	499	28	436	390	2,803
Change 2000 v. 1995		73.8%	9.2%	5.1%	48.6%	30.3%	14.7%	6.8%	15.4%	22.9%	14.4%
Change 2005 v. 2000		579	-245	205	6,600	1,209	472	0	458	174	3,279
Change 2005 v. 2000		38.3%	-3.5%	9.3%	227.6%	53.0%	12.2%	0.0%	14.0%	8.3%	14.7%
Change 2010 v. 2005		103	-183	382	7,500	2,008	323	19	1,333	111	4,097
Change 2010 v. 2005		4.9%	-2.7%	15.8%	78.9%	57.5%	7.4%	4.4%	35.8%	4.9%	16.0%

Sources: Int'l Primary Aluminum Institute to 2006; John Tumazos Very Independent Research, LLC Estimates to 2013.

**DETAILS OF AUGUST 21 INTERNATIONAL ALUMINUM INSTITUTE GLOBAL SMELTING CAPACITY UPDATE**

The IAI lowered projections for year end 2007 from 26.91 to 26.35 mmt or a difference of .56 mmt or 2%. They also lowered year end 2008 from 27.71 to 27.24 mmt, a drop of 0.47 mmt or 1.7%. However, the IAI raised estimates 20,000 tonnes or under 1% from 27.901 to 27.92 mmt for 2009.

The majority of the differences for 2007 were in North America and Russia. North America's estimate was lowered from 6.83 to 6.56 mmt a difference of 234,000 tonnes or 4% and Russia's was lowered from 4.21 to 3.97 mmt a difference of 243,000 tonnes or 5.7%. This appeared to reflect delays in the delivery of electricity to Alcoa's new Iceland smelter, withdrawals and slower new Russian startups. While China was not

reported or estimated, its output or capacity appears about 0.5 mmt more than expected. Africa was 7,000 tonnes more, Latin America 7,000 tonnes more, Asia 19,000 tonnes less, West Europe 38,000 tonnes less, and Oceania 2,000 tonnes less. While China

In 2008 North America and Russia were still the main areas with lower capacity estimates. North America's estimate was lowered 272,000 tonnes from 6.84 to 6.57 mmt and Russia's estimate was lowered 201,000 tonnes from 4.36 to 4.16. The rest of the world accounted for an 8,000 tonne INCREASE as the North American and Russian downward revisions were larger than the 465,000 tonne world total. Africa fell 10,000 tonnes, Latin America rose 10,000 tonnes, Asia rose 30,000 tonnes, West Europe fell 22,000 tonnes and Oceania fell 6,000 tonnes.

The 2009 estimates were increased mainly in Asia where estimates rose 405,000 tonnes 4.2 to 4.61 mmt an increase of almost 10%. We regard the Asian capacity increase estimate as "peanuts" as the 6.1 mmt proposals in the Mideast are much larger, and projects exist in India and other places. This increase in Asia was almost completely offset by the lowered estimates of Russia down 108,000 tonnes and North America down 269,000 tonnes which continued to be around 4% and 5.5% below previous estimates respectively. Africa was down 3,000 tonnes, Latin America unchanged, West Europe up 109,000 tonnes possibly due to Iceland proposals and Oceania was up 5,000 tonnes.

The initial June 2010 estimate was small at 28.464 mmt up from 27.921 mmt at December 2009 in relation to the capacity proposals around the world. The June 2010 data has a regional decline of 102,000 tonnes estimated for Western Europe. It estimates minor gains of 13,000 tonnes in Africa from December 2009, 16,000 in Latin America, 15,000 in Oceania, and larger increases of 39,000 tonnes in North America, 125,000 tonnes in Asia, 427,000 tonnes in Russia and of course no estimate for China.

#### STRENGTHS OF THE LARGER SAUDI PROPOSAL

A Chinese-Saudi consortium proposed this past spring to build a second 1.4 mmt carbon copy of the 1.4 mmt Dubal smelter in Dubai announced in February 2006. The Chinese-Saudi project will have its own alumina refinery in Saudi Arabia using imported bauxite from Brazil or Greece. A reasonable guess of timing for the 1.4 mmt Saudi megasmelter would be 1 or 2 years behind the 2010 and 2013 phases 1 and 2 of the Dubal 1.4 mmt megasmelter (<http://www.dubal.ae/mediacentre/Article.aspx?id=306>).

An advantage of the proposed Saudi project is that it includes a 1.6 mmt alumina module that is about 10% larger than the smelter requires as a "self-sufficiency" with an extra 10% raw materials "safety factor." Bauxite reportedly will be sourced from Brazil and Greece. We regard Brazil as a better bauxite supply resource as its deposits are much larger, wages lower and has no cultural/archaeological issues such as Greek bauxite mines within view of Delphi. However, the Greek deposits have lower freight costs as they are maybe 15 miles down hill from the sea much closer to Arabia.

The Dubal megasmelter does not have a formal alumina supply agreement or alumina plant construction yet. Dubal is an investor in certain projects in Guinea. It appears to take a "non-urgent" raw materials sourcing view that maybe a developing oversupply could permit better terms than it would have negotiated in 2005 or the February 2006 when it first announced its megaproject. Last year alumina spot prices fell from \$650 early in 2006 to \$200 lows and then rebounded to \$400 early this year after strikes in Guinea, which illustrates wide market swings.

Western engineering companies like Bechtel, Aker Kvaerner or SNC –Lavalin have large backlogs and no spare capacity. Moreover, Alcan wants to earn a meaningful profit from selling Pechiney's pot cell technologies. The Saudi project, like Egyptalum's smaller 270,000 tonne project, bypasses expensive western companies to tap into the Chinese engineering and pot cell expertise. Moreover, the project supports the Chinese government's goals of generating domestic employment, exports, acquiring natural resource raw materials like energy and building a diplomatic bond in the Arab world.

China has 10 mmt of aluminum smelter construction experience since 2000, while Mideastern smelters have about one-third of the 4 mmt of the new construction experience of the remainder of the world. Accordingly, it is noteworthy that the Arabian venture taps Chinese engineers rather than relying upon the substantial engineering knowhow of the Bin Ladin Group, Dubal or Aluminum Bahrain.

It is also noteworthy that Alcoa, Alcan and Century Aluminum combined erected about 1 mmt of smelting in that era mostly in Oman and Iceland.

## CAPITAL COSTS

Dubal posts on its web site that its first 0.7 mmt phase should cost \$5 billion and the second-phase \$3 billion. The Sino-Saudi proposal describes \$5.2 billion for a similar-sized first phase that also includes an alumina refinery of an extra \$1 billion of value, which suggests to us that maybe the Chinese, Malaysian and Bin Ladin Group construction companies underpriced their services or else the final actual costs could be a little more.

## REGIONAL PERSPECTIVE

Over the past decade Dubal and Alba (Aluminum Bahrain) have competed neck-in-neck in size. The current announcements place Dubal, Alba and Rusal's Bratsk and Krasnoyarsk smelters each between 0.9 and 1.0 mmt of annual output.

In addition, Dubal plans its separate 1.4 mmt megasmelter in two phases targeted for 2010 and 2013. Dubal also plans a 0.7 mmt joint venture in Algiers to propel it to 3 mmt worldwide or in the global top four of Rusal, Alcoa and Alcan although 100% of Dubal's capacity will be very new with energy advantages.

Other Mideastern smelters include the Rio Tinto joint venture in Abu Dhabi, a 625,000 separate Saudi venture perhaps with Norsk Hydro, Norsk Hydro in Qatar for 585,000 tonnes, Alcan's 350,000 tonne venture in Oman that probably will have a second identical module and Egyptalum's 270,000 tonne expansion.

These more firm projects total 6.1 mmt in eight separate Arab countries including Dubal in Algiers, Dubal in Dubai, Rio Tinto in Abu Dhabi, Alba in Bahrain, Alcan in Oman, Alcan and the Chinese project in Saudi Arabia, Norsk Hydro in Qatar and Egypt and excluding less well-defined project ideas in the past in Iran, Iraq and Malaysia. MMC Corp.'s participation in the Saudi Arabian consortium suggests that the larger than 0.5 mmt Malaysian project proposals offered over the past decade may gain a better experienced investor/sponsor since MMC Corp. will develop expertise in this Saudi venture.

## GLOBAL SNAPSHOT

Further, Alcan has project proposals in British Columbia and Quebec to spend \$3.6 billion for 0.8 mmt, of which 0.55 mmt will be incremental and 0.245 mmt replacement. Alcoa, Alcan and Century Aluminum collectively have built over 0.5 mmt in Iceland and seek to build almost 1.0 mmt more. BHP Billiton in the Democratic Republic of Congo (Kinshasa) and Century Aluminum in the Republic of Congo (Brazzaville) each study large new projects using gas-fired power. Rusal has many expansion projects in Russia where it could double over a decade. Alcoa's project in Trinidad appears to have died due to environmental opposition. Small expansion projects should advance in India, where large projects have been announced but the "completion rate" is lower than in the Mideast, Iceland or Russia. Small projects could move ahead in Venezuela or Brazil.

Thus, a reasonably large capacity expansion profile exists even if output growth in China finally winds down.

#### CHANGE IN THIS RESEARCH OPERATION

This report reflects research coverage by JTVIR, LLC. In no way shape or form should it be misconstrued as involving Prudential Equities Group (PEG), which shut down on June 6, 2007 as noted. The continuation of that same quarterly or full year earnings estimate for 2007 as JTVIR, LLC should not be construed or mistaken to involve PEG, which shut down on June 6, 2007. Certain data, such as the logic of the earnings model, are similar owing to the same primary author, but this coverage initiation herein involves a different entity and no employment or affiliation with the former Prudential Equity Group, LLC.

#### DISCLOSURES

"John Tumazos Very Independent Research, LLC" (JTVIR) is a Delaware Corporation with registration effective on August 27, 2007 as an investment advisor in the state of New Jersey owing to our place of business in New Jersey.

JTVIR is not a broker-dealer, and conducts no trades. Its primary business is to provide "unbundled" metals and paper industry securities and market research to institutions or corporations in a zero commission, electronic execution, electronic dissemination, unbundled format for a specified annual fee structure.

Our investment rating system for securities recommendations is Overweight, Neutral Weight or Underweight. Overweight or Underweight recommendations are estimated to vary from the relative performance of the S&P 500 by more than 10% annually, and the intended time horizon is up to 24 months. Our securities research is intended for institutional investors that might buy up to 10% of a given company, and as such focuses more towards longer-term dynamics impacting the net present value of future cash flows rather than "day trading" sorts of near-term issues.

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Our policy permits personal trading in the metals or paper industries, though no positions were taken in companies within regular research coverage after July 2001 after joining

Prudential Financial and until after one month of completed New Jersey registration of JTVIR. Our policy is that any personal trading must be consistent with our recommendation, made two business days or more AFTER a recommendation or change in recommendation and held for a minimum of 30 days or one month. We believe it is virtuous for a securities analyst to “put his or her money where his mouth is” to invest consistent with the recommendation to clients after such recommendation has been made, and we disagree with some restrictions made upon broker-dealer employees after 2000 era scandals.

Our policy permits up to three directorships and up to five consulting projects, advisory assignments or financial advice to corporations that might supplement, backcheck or substitute for certain services of a large investment banking firm. For example, we would accept an engagement to evaluate investment banking advice on behalf of a manufacturing company concerned whether advice is sincere or intended to maximize fees. Currently no such relationships exist.

Our policy is full disclosure of any advisory relationship or conflict going back three years. None currently exist.

Numerous prior investment banking relationships existed prior to three years history to the pre-1997 time frame under the employment of Donaldson, Lufkin and Jenrette or Oppenheimer & Co., Inc. Some of these we can recollect included 14 different gold mine valuations or sales for Barrick Gold, LAC Minerals (later acquired by Barrick), Addington Resources (gold assets in Montana acquired by Canyon Resources), Westworld Industries (Bolivian assets acquired by Battle Mountain Gold later acquired by Newmont Mining), Coeur d’Alene Mines, Crown Resources (acquired by Kinross Gold), Freeport-McMoRan Gold (acquired by Minorco later AngloGold later Queenstake Resources), FMC Gold (later renamed Meridian Gold) and others. Sole managed initial public offerings included Reliance Steel & Aluminum and Huntco. Lead-managed initial public offerings included American Steel & Wire (later acquired by Birmingham Steel) and lead-managed underwritings included Quanex. Co-managed underwritings included the IPO of Century Aluminum and offerings for AK Steel, Kaiser Aluminum, Agnico-Eagle Mines, Cameco and others. Asset sales or purchase advisories, fairness opinion or trusteeships were done for Thyssen Steel (sold to Ryerson Tull), Cyclops Corp. (sold to Armco later sold to AK Steel), Allegheny Corp., Bethlehem Steel, the U.S. Dept. of Justice pursuant to the June 1984 merger of LTV and Republic Steel to sell the Gadsden, AL integrated flat-rolled mill, Cobre Copper, and others. Typically more than five investment banking assignments were evaluated, partly executed or “due diligenced” for any completed transaction. Some examples we can recall for which a prospectus was either drafted or partly drafted indicating much work included stock underwritings not completed for Wheeling-Pittsburgh Steel, Steel Dynamics, Atlas Corp., Webco, Sharon Steel, IPSCO, Co-Steel Inc., and others.

#### **ANALYST UNIVERSE COVERAGE:**

John C. Tumazos, CFA: Rio Tinto, Louisiana-Pacific, Nucor Corp., Newmont Mining, U.S. Steel, International Paper, BHP Billiton, MeadWestvaco Corp., Antofagasta PLC, Allegheny

Technologies, Alcoa Inc., Inco Limited, Bowater, Inc., Temple-Inland, Barrick Gold, Abitibi-Consolidated, Weyerhaeuser Co., Alcan Inc., Smurfit-Stone Container, Plum Creek Timber, Worthington Industries, Goldcorp Inc., AngloGold Ashanti, Freeport McMoRan Copper & Gold, Novelis Inc., FNX Mining.

Dynatec is a company not continued in the research coverage of JTVIR, LLC that was previously included in the prior June 6, 2007 Prudential Equities Group universe owing to a pending takeover by Sherritt International.

In accordance with applicable rules and regulations, we note above parenthetically that our stock ratings of “Overweight,” “Neutral Weight,” and “Underweight” most closely correspond with the more traditional ratings of “Buy,” “Hold,” and “Sell,” respectively; however, please note that their meanings are not the same. (See the definitions above.) We believe that an investor’s decision to buy or sell a security should always take into account, among other things, that the investor’s particular investment objectives and experience, risk tolerance, and financial circumstances. Rather than being based on an expected deviation from a given benchmark (as buy, hold and sell recommendations often are), our stock ratings are determined on a relative basis (see the foregoing definitions).

There is no intention to “balance” the number of Overweight or Underweight ratings, as instances of broad over- or under-performance among basic industrials may occur. JTVIR makes each investment judgment in a “bottoms up” manner based on the assets of each individual company.

#### **Price Target – Methods/Risks**

The methods used to determine the price target generally are based on future earning estimates, product performance expectations, cash flow methodology, historical and/or relative valuation multiples. The risks associated with achieving the price target generally include customer spending, industry competition and overall market conditions.

Additional risk factors as they pertain to the analyst's specific investment thesis can be found within the report.

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