



LONDON METAL EXCHANGE

PRESS RELEASE

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LME STEEL BILLET CONTRACTS GAIN MOMENTUM

Members of the London Metal Exchange steel committee met for the first time on March 16 and reviewed progress made in the LME billet contracts.

Turnover since the contracts' launch in February 2008 now totals 1.3 million tonnes, or \$679 million, with volumes increasing progressively since December.

Of significant importance is the decision by leading price providers Platts and SteelOrbis to use the LME Mediterranean billet contract as the central reference point for their scrap and rebar market assessments.

Both organisations will publish rebar prices as a premium to the LME billet price and scrap prices as a discount to the LME price.

This reflects growing acceptance in the steel market for the LME billet price and its adoption by Platts and SteelOrbis will further consolidate its use in industry.

"The LME steel price is fast becoming the industry reference price," said Liz Milan, commercial director of the exchange. "Industry can be confident that our prices reflect the market and that they can use our contracts to manage their risk."

The committee is chaired by Standard Bank's Jim Coupland. LME chief executive Martin Abbott is vice chairman.

Other members of the committee are: Ugur Dalbeler (Colakoglu); Butch Zeederberg (MacSteel); Ray Key (Deutsche Bank); Tim Wilson (JP Morgan); Mark Lyons (Cargill International Trading Pte Ltd); Jean-Luc Fiorenzoni (Stemcor); Liz Milan (LME); Michael Hutchinson (RBS Sempra Metals Ltd); Mel Wilde (Metalloyd Ltd); Jeff Kabel (Koch); Shon Loth (ICS Ltd) and Stephen Branton-Speak (Goldman Sachs)

Notes to editors:

- The LME is the world's premier non-ferrous metals market and achieved volumes of more than \$10,000 billion in 2008.
- On 25 February 2008 the Exchange launched Mediterranean and Far East steel billet futures contracts on LME Select and the telephone market. Ring trading commenced on 28 April 2008.

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