



NEWS RELEASE

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Macsteel Service Centers USA Announces Expansion to Tucson

Multi-national company brings significant capital investment into Tucson

Newport Beach, CA, April 13, 2006 –Macsteel Service Centers USA, Inc., owned by the global steel company, Macsteel Holdings of South Africa announced plans today for the construction of a new \$10 million metals manufacturing and distribution facility in Tucson, Arizona. Macsteel Service Centers USA plans to hire 25 employees within the next few years, with possible expansion in the future.

The new 73,400 square-foot facility is scheduled to open in late 2006 and will be located on 8 acres.

The state-of-the-art facility will process and distribute a full array of steel and non-ferrous products to customers in the Southwest U.S and Mexico. The operations will include a significant capital investment in the most technologically advanced metals processing equipment.

Michael Hoffman, Macsteel Service Centers USA's President and CEO stated, "We are seeing a steady growth in our business in the Western U.S. and Tucson is a strategic hub for that business in the Southwest U.S. and Mexico and a perfect fit with our current locations." Hoffman added, "We appreciate the assistance and cooperation we have received from the Tucson Regional Economic Opportunities (TREO), the Arizona Department of Commerce and the City of Tucson in supporting our site expansion."

The new metals service center will be located in the Century Park Research Center in Tucson, AZ. Alan Levin of Levin Family Limited Partnership will be the General Contractor.

"We are thrilled to bring such a distinguished, multi-billion dollar international manufacturer to Tucson," said Joe Snell, TREO's President and CEO. "Macsteel Service Center's decision to expand to Tucson underscores the importance of a global manufacturer presence we are pursuing with the Arizona Global Network, our new partnership with the Arizona Department of Commerce."

"The decision by Macsteel Service Centers USA to expand into Tucson further illustrates our region's growing importance as a gateway to Mexico and Latin American markets. The multi-national nature of this transaction underlines Tucson's strategic advantages in the global economy," said Bob Walkup, TREO Co-chair and Mayor of Tucson.

"Macsteel Service Centers USA's decision to locate to Tucson represents the regional strengths Arizona provides in the global market," says Gilbert Jimenez, Director of the Arizona Department of Commerce. "Arizona is a prime portal to Mexico and South America. Further, Macsteel locates along the CANAMEX Corridor and will enjoy incredible reach beyond the Southwest markets."

Macsteel Service Centers USA will commence a groundbreaking for the new facility on April 20, 2006.

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About Macsteel Service Centers USA

Macsteel Service Centers USA is one of the leading companies in the North American metals service center industry. That achievement didn't occur by happenstance but rather through a well-planned approach of growth by acquisition and by adding value for its customers.

The company has a network of 32 locations, which includes the former Edgcomb Metals, Regal Steel, Baldwin Steel, Ferro Union, Hokin Katz and Alpha Steel, all of which now operate as Macsteel Service Centers USA. Macsteel Service Centers USA processes and distributes carbon, stainless, aluminum and specialty metals to customers throughout North America, Hawaii and Puerto Rico. Products include a full range of flat rolled, plate, tubing, pipe, bar and structurals. The company also supplies a full range of steel building products, coated and prepainted metals. Macsteel Service Centers USA is headquartered in Newport Beach, CA and is owned by the global steel company, Macsteel Holdings. For more information visit us at: <http://www.macsteelusa.com>

About TREO (Tucson Regional Economic Opportunities, Inc.)

Tucson's newest regional economic development entity was created to provide insight, infrastructure, resources and development efforts that will ensure ongoing economic prosperity throughout the Southern Arizona region. TREO's programs support a regional economic development environment that allows all businesses (micro, small and large) to grow and thrive. For more information, call (520) 243-1900 or visit www.treoaz.org.

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