

SCHNITZER STEEL INDUSTRIES INC
Form 8-K
February 14, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): February 9, 2011

SCHNITZER STEEL INDUSTRIES, INC.
(Exact Name of Registrant as Specified in Its Charter)

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| OREGON (State or Other Jurisdiction of Incorporation) | 0-22496 (Commission File Number) | 93-0341923 (I.R.S. Employer Identification No.) |
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| 3200 N.W. Yeon Ave. P.O. Box 10047 Portland, OR (Address of Principal Executive Offices) | 97296-0047 (Zip Code) |
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Registrant's Telephone Number Including Area Code: (503) 224-9900

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
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Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On February 9, 2011, the Company entered into a second amended and restated unsecured committed bank credit agreement with Bank of America, N.A., as administrative agent, and the other lenders party thereto. The restated agreement provides for five-year, US\$620 million and Canadian\$30 million revolving loans maturing in February 2016. The agreement prior to restatement provided for a US\$450 million revolving loan maturing in July 2012. On February 9, 2011, outstanding borrowings under the revolving loan totaled US\$350 million. Interest on outstanding indebtedness under the restated agreement is based, at the Company's option, on either LIBOR or CDOR plus a spread of between 1.75% and 2.75%, with the amount of the spread based on a pricing grid tied to the Company's leverage ratio, or the greater of the prime rate, the federal funds rate plus 0.50% or the British Bankers Association LIBOR Rate plus 1.75%. In addition, commitment fees are payable on the unused portion of the credit facility at rates between 0.25% and 0.45% based on a pricing grid tied to the Company's leverage ratio. The restated agreement contains various representations and warranties, events of default and financial and other covenants, including covenants requiring maintenance of a minimum fixed charge coverage ratio and a maximum leverage ratio. A copy of the restated agreement is attached hereto as Exhibit 4.1 and incorporated herein by this reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

4.1 Second Amended and Restated Credit Agreement, dated February 9, 2011, between the Registrant, Bank of America, NA, and the Other Lenders Party Thereto.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SCHNITZER STEEL INDUSTRIES, INC.
(Registrant)

Dated: February 14, 2011

By: /s/ RICHARD C. JOSEPHSON
Name: Richard C. Josephson
Title: Senior Vice President

