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OmniSource Expands Indiana Business With Indianapolis Acquisition

For Immediate Release

Fort Wayne, IN, March 13, 2006: OmniSource Corporation announced today it has acquired the business of K&F Industries in Indianapolis, IN. Founded in 1949, K&F is the largest full-service scrap processor in central Indiana, shipping over 200,000 tons of ferrous scrap and 20 million pounds of nonferrous metals annually.

The Indianapolis location will become headquarters for the "Southern Indiana Division," a newly formed regional business unit of OmniSource. The division's scope of operations will be expanded to incorporate all current and future OmniSource business in central and southern Indiana. Two K&F principals, Greg Kroot and Barry Kroot, have agreed to join OmniSource as part of the transaction, with Greg assuming the regional executive position as division manager.

OmniSource is also planning significant capital investment in the Indianapolis facilities to increase capacity and serve an expanded customer base. The company is prepared to install a new 6000 h.p. shredding and reclamation system, add new material handling and transportation equipment, and develop a new, high-volume nonferrous metals processing plant.

In making the announcement, Danny Rifkin, president of OmniSource said: "We are very excited about this acquisition, and intend to aggressively grow the business. Indianapolis is a strategic opportunity for OmniSource, and we look forward to becoming an active member of the community."

"We expect the integration process to be accomplished in a timely and efficient manner, and can assure the K&F customer base of a seamless transition. We are also pleased that, in addition to Greg and Barry, all key personnel will remain with the company, thus providing a solid base of knowledge and experience upon which to build."

Greg Kroot, president of K&F added: "The combination of OmniSource's financial resources and business relationships, along with K&F's 56-year history of serving central Indiana makes this acquisition a win for K&F's employees, customers, and the Indianapolis community. As Danny stated, OmniSource is ready to invest in Indianapolis, creating a stable working environment for its employees, while growing its facilities. Barry and I are excited to be part of the OmniSource organization."

Indianapolis Mayor Bart Peterson added: "I appreciate OmniSource's confidence in the business-friendly climate we have worked so hard to create here in Indianapolis and their resulting decision to invest and expand here. We look forward to working with them and having them as a member of our business and civic community."

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OmniSource Corporation, headquartered in Fort Wayne, Indiana, is one of North America's leading metal recycling companies. The company handles over 6 million tons of ferrous scrap and 700 million pounds of nonferrous metals, and employs nearly 2,000 people in 32 facilities in the eastern United States and Canada.
