

of the parties hereto hereby certifies that no representative or agent of any other party hereto has represented expressly or otherwise that such party would not seek to enforce the provisions of this waiver. Each of the parties hereto hereby acknowledges that it has been induced to enter into this Agreement by and in reliance upon, among other things, the provisions of this paragraph.

(h) *Entire Agreement.* This Agreement and Exhibits A and B attached hereto embody the entire agreement and understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein. No alteration, waiver, amendment, change or supplement hereto shall be binding or effective unless the same is set forth in writing signed by a duly authorized representative of each of the parties hereto.

(i) *Authority.* Each party hereto represents and warrants that it has all requisite power and authority to enter into this Agreement and Exhibits A and B attached hereto and the transactions contemplated hereby. Each party hereto further represents that this Agreement has been duly and validly authorized by all necessary corporate action and has been duly executed and delivered by each of the parties hereto and constitutes the legal, valid and binding agreement thereof, enforceable in accordance with its terms. Rothschild will assume that any instructions, notices or requests have been properly authorized by the Company if they are given or purported to be given by, or is reasonably believed by Rothschild to be a director, officer, employee or authorized agent.

(j) *Counterparts.* This Agreement may be executed in as many counterparts as may be deemed necessary and convenient, and by the different parties hereto on separate counterparts, each of which when so executed shall be deemed an original, but all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart to this Agreement.

* * *

If the foregoing correctly sets forth the understanding and agreement between Rothschild and the Company, please so indicate by signing the enclosed copy of this letter, whereupon it shall become a binding agreement between the parties hereto as of the date first above written.

Very truly yours,

ROTHSCHILD INC.

By: 

Name: Todd R. Snyder
Title: Managing Director

Accepted and Agreed to as of
the date first written above:

SPECIAL METALS CORPORATION

By: 

Name: T. Grant John
Title: President

Exhibit A

The Company shall indemnify and hold harmless Rothschild and its affiliates, counsel and other professional advisors, and the respective directors, officers, controlling persons, agents and employees of each of the foregoing (Rothschild and all of such other persons collectively, the "Indemnified Parties"), from and against any losses, claims or proceedings, including without limitation stockholder actions, damages, judgments, assessments, investigation costs, settlement costs, fines, penalties, arbitration awards and any other liabilities, costs, fees and expenses (collectively, "Losses") (a) directly or indirectly related to or arising out of (i) oral or written information provided by the Company, the Company's employees or other agents, which either the Company or an Indemnified Party provides to any person or entity or (ii) any other action or failure to act by the Company, the Company's employees or other agents or any Indemnified Party at the Company's request or with the Company's consent, in each case in connection with, arising out of, based upon, or in any way related to this Agreement, the retention of and services provided by Rothschild under this Agreement, or any Transaction; or (b) otherwise directly or indirectly in connection with, arising out of, based upon, or in any way related to the engagement of Rothschild under this Agreement or any transaction or conduct in connection therewith, provided that the Company shall not be required to indemnify any Indemnified Party for such Losses if and only to the extent that it is finally judicially determined by a court of competent jurisdiction that such Losses arose primarily because of (x) the gross negligence, willful misconduct, breach of fiduciary duty (if any) or fraud of such Indemnified Party or (y) conduct by such Indemnified Party that was not in good faith or that such person did not reasonably and prudently believe was in the best interests of the Company. If multiple claims are brought against an Indemnified Party in an arbitration, with respect to at least one of which indemnification is permitted under applicable law and provided for under this Agreement, the Company agrees that any arbitration award shall be conclusively deemed to be based on claims as to which indemnification is permitted and provided for, except to the extent the arbitration award expressly states that the award, or any portion thereof, is based on a claim as to which indemnification is not available. Any payment hereunder shall be made promptly after obtaining the necessary approval of the Bankruptcy Court, if any.

The Company shall further reimburse any Indemnified Party promptly after obtaining the necessary approval of the Bankruptcy Court, if any, for any legal or other fees, disbursements or expenses as they are incurred (a) in investigating, preparing or defending any action or other proceeding (whether formal or informal) or threat thereof, whether or not in connection with pending or threatened litigation or arbitration and whether or not any Indemnified Party is a party (each, an "Action") and (b) in connection with enforcing such Indemnified Party's rights under this Agreement; provided, however,

that if and only to the extent it is finally judicially determined by a court of competent jurisdiction that the Losses of such Indemnified Party arose primarily because of (x) the gross negligence, willful misconduct, breach of fiduciary duty (if any) or fraud of such Indemnified Party or (y) conduct by such Indemnified Party that was not in good faith or that such person did not reasonably and prudently believe was in the best interests of the Company, such Indemnified Party will promptly remit to the Company any amounts reimbursed under this paragraph.

Upon receipt by an Indemnified Party of notice of any Action, such Indemnified Party shall notify the Company in writing of such Action and will cooperate with the Company in defending the action, but the failure to so notify shall not relieve the Company from any liability hereunder (i) if the Company had actual notice of such Action or (ii) unless and to the extent that such failure materially prejudices the Company. The Company shall, if it so elects or if requested by Rothschild, assume the defense of any such Action including the employment of counsel reasonably satisfactory to Rothschild and will not, without the prior written consent of Rothschild, settle, compromise, consent or otherwise resolve or seek to terminate any pending or threatened Action (whether or not any Indemnified Party is a party thereto) unless such settlement, compromise, consent or termination (a) contains an express, unconditional release of each Indemnified Party from all liability relating to such Action and the engagement of Rothschild under this Agreement and (b) does not include a statement as to, or an admission of fault, culpability or a failure to act by or on behalf of an Indemnified Party. Any Indemnified Party shall be entitled to retain separate counsel of its choice and participate in the defense of any Action in connection with any of the matters to which this Agreement relates, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (x) the Company has failed promptly to assume the defense and employ counsel or (y) the named parties to any such Action (including any impleaded parties) include such Indemnified Party and the Company, and such Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or in addition to those available to the Company; provided that the Company shall not in such event be responsible under this Agreement for the fees and expenses of more than one firm of separate counsel (in addition to local counsel) in connection with any such Action in the same jurisdiction. No Indemnified Party shall be entitled to indemnification in any settlement, compromise or discharge of liability with respect to any such claim or demand effected without the prior written consent of the Company, which consent shall not be unreasonably withheld.

The Company agrees that if any right of any Indemnified Party set forth in the preceding paragraphs is finally judicially determined to be unavailable (except by reason of the gross negligence, willful misconduct, breach of fiduciary duty, if any, or fraud of such Indemnified Party), or is insufficient to hold such Indemnified Party harmless against such Losses as contemplated herein, then the Company shall contribute to such

Losses (a) in such proportion as is appropriate to reflect the relative benefits received by the Company and its creditors and stockholders, on the one hand, and such Indemnified Party, on the other hand, in connection with the transactions contemplated hereby, and (b) if (and only if) the allocation provided in clause (a) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (a) but also the relative fault of the Company and such Indemnified Party. Benefits received by Rothschild shall be deemed to be equal to the compensation payable by the Company to Rothschild in connection with this Agreement. Relative fault shall be determined by reference to, among other things, whether any alleged untrue statement or omission or any other alleged conduct relates to information provided by the Company or other conduct by the Company (or the Company's employees or other agents) on the one hand or by Rothschild on the other hand. The parties hereto agree that it would not be just and equitable if contribution were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to above.

The Company also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with advice or services rendered or to be rendered by any Indemnified Party pursuant to this Agreement, the transactions contemplated hereby or any Indemnified Party's actions or inactions in connection with any such advice, services or transactions except for Losses of the Company that are finally judicially determined by a court of competent jurisdiction to have arisen primarily because of the gross negligence, willful misconduct, breach of fiduciary duty, if any, or fraud of such Indemnified Party in connection with any such advice, actions, inactions or services.

The rights of the Indemnified Parties hereunder shall be in addition to any other rights that any Indemnified Party may have at common law, by statute or otherwise. Except as otherwise expressly provided for in this Agreement, if any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement shall all remain in full force and effect and shall in no way be affected, impaired or invalidated. The reimbursement, indemnity and contribution obligations of the Company set forth herein shall apply to any modification of this Agreement and shall remain in full force and effect regardless of any termination of, or the completion of any Indemnified Party's services under or in connection with, this Agreement.

EXHIBIT B

ROTHSCHILD INC.

M&A Fee Schedule

(Dollars In Millions)

<u>Aggregate Consideration^(a)</u>	<u>M&A Fee Percentage^(b)</u>
Up to and including \$275.0	1.25%
Above \$275.0	1.125%

- (a) "Aggregate Consideration" shall mean the total value of all cash, securities, the repurchase, cancellation or buy-out of any options or warrants, any agreements or other property and any other consideration, including, without limitation, any contingent, earned or other consideration, paid or payable, directly or indirectly, in connection with a transaction of the kind described in Section 4(c) of the Agreement. The value of any such securities (whether debt, equity, options or warrants) or other property or agreements shall be determined as follows: (a) the value of securities that are freely tradable in an established public market shall be the last closing market price of such securities prior to the public announcement of such transaction; and (b) the value of securities which are not freely tradable or which have no established public market, or if the consideration consists of property or agreements other than securities, the value of such securities or other property or agreements shall be the fair market value thereof as mutually agreed by the Company and Rothschild. Aggregate Consideration shall be deemed to include the face amount of any indebtedness for borrowed money, including, without limitation, obligations assumed, retired or defeased, directly or indirectly, in connection with, or which survive the closing of, such transaction. If the consideration to be paid is computed in any foreign currency, the value of such foreign currency shall, for purposes hereof, be converted into U.S. dollars at the prevailing exchange rate on the date or dates on which such consideration is payable.
- (b) If the Aggregate Consideration for a transaction of the kind described in Section 4(c) of the Agreement exceeds \$275.0 million, the M&A Fee shall be 1.25% of the portion of the Aggregate Consideration up to and including \$275.0 million and 1.125% of the portion of the Aggregate Consideration above \$275.0 million.

Invoice

Invoice 0104 TRS SPM1

Date 8 January 2003



Special Metals Corporation
3200 Riverside Drive
Huntington, WV 25705

For the attention of Dennis L. Wanlass, Vice President & Chief Financial Officer

Net Completion Fee	\$938,709.68
Unpaid November 2003 invoice	120,163.06
Unpaid holdbacks (August 2003 through November 2003):	120,000.00
Total Due	\$1,178,872.74

The disbursements and charges reflected on this statement are only those that have been booked at the end of this billing period. Disbursements and charges received and booked after the closing date of this statements will be billed subsequently.

Please transfer funds to:

JP Morgan Chase Address 500 Stanton Christiana Road Newark, DE 19713	Account Name: Rothschild Inc. Account Number: 0 045 42 212 ABA: 021000021
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Special Metals Corporation

Summary of Compensation

July 6, 2002 through November 2003

Monthly Fees:	
July 6 through 31, 2002	\$111,290.32
August 2002 through November 2003	<u>2,400,000.00</u>
Total Monthly Fees	2,511,290.32
Monthly Fees not Subject to Credit	<u>(450,000.00)</u>
Monthly Fee Credit (a)	2,061,290.32
Completion Fee	3,000,000.00
Less: Monthly Fee Credit (a)	<u>(2,061,290.32)</u>
Net Completion Fee Owed	\$938,709.68
Total Fees:	
Monthly Fees (July 6, 2002 through November 30, 2003)	\$2,511,290.32
Net Completion Fee	<u>938,709.68</u>
Total Fees	\$3,450,000.00

(a) Assumes payment of October 2003 and November 2003 invoices of \$120,000.00 each and payment of prior months' holdbacks of \$120,000.00 for the period August through November 2003.

Special Metals Corporation

Summary of Reimbursable Expenses

July 6, 2002 through November 2003

<u>Invoice Period</u>	<u>Expense Amount</u>
July 9, 2002 - September 20, 2002	\$ 32,289.47
October 1, 2002 - October 31, 2002	32,034.87
November 1, 2002 - November 30, 2002	14,169.92
December 1, 2002 - December 31, 2002	30,059.91
January 1, 2003 - January 31, 2003	23,811.74
February 1, 2003 - February 28, 2003	7,489.94
March 1, 2003 - March 31, 2003	10,320.25
April 1, 2003 - April 30, 2003	4,513.20
May 1, 2003 - May 31, 2003	1,640.71
June 1, 2003 - June 30, 2003	1,412.89
July 1, 2003 - July 31, 2003	2,049.52
August 1, 2003 - August 31, 2003	1,142.98
September 1, 2003 - September 30, 2003	1,651.44
October 1, 2003 - October 31, 2003	1,455.70
November 1, 2003 - November 30, 2003	<u>163.06</u>
Total Reimbursable Expenses	\$ 164,205.60

Invoice

Invoice 1203 TRS SPM1

Date 23 December 2003



Special Metals Corporation
3200 Riverside Drive
Huntington, WV 25705

For the attention of Dennis L. Wanlass, Vice President & Chief Financial Officer

Monthly advisory fee: November 1, 2003 – November 30, 2003	\$150,000.00
80 percent of advisory fees:	X 0.80
	120,000.00
Out-of-pocket expenses to date:	163.06
Total Due	\$120,163.06

The disbursements and charges reflected on this statement are only those that have been booked at the end of this billing period.
Disbursements and charges received and booked after the closing date of this statements will be billed subsequently.

Please transfer funds to:

JP Morgan Chase Address 500 Stanton Christiana Road Newark, DE 19713	Account Name: Rothschild Inc. Account Number: 0 045 42 212 ABA: 021000021
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Special Metals Corporation

Summary of Out-of-Pocket Expenses

Travel	16.80
Ground Transportation	22.00
Hotel	-
Miscellaneous	-
Meals	22.36
Word Processing	-
Copies	5.30
Research/Database	15.28
Communications	0.00
Legal Fees	-
Courier Services	<u>81.32</u>
Total	\$163.06

Special Metals Corporation

Travel Expense Breakdown

Date Incurred	Description	City	Cost	Method of Computation	Incurred By
04/09/03	Mileage from airport to home	Washington, D.C.	\$10.80	Vendor	R. Vance
04/09/03	Airport parking	Washington, D.C.	\$6.00	Vendor	R. Vance
Total			\$16.80		

Special Metals Corporation

Meal Expense Breakdown

<u>Date</u>	<u>Description</u>	<u>City</u>	<u>Cost</u>	<u>Method of Computation</u>	<u>Incurred By</u>
Incurring 09/16/03	Working dinner	New York, NY	\$22.36	Vendor	D. Klock
Total			\$22.36		

Special Metals Corporation

Copies Expense Breakdown

<u>Date</u>	<u>Description</u>	<u>City</u>	<u>Cost</u>	<u>Method of Computation</u>	<u>Incurred By</u>
Nov-03	Black & white copies	New York, NY	\$5.30	Vendor	Various
Total			\$5.30		

Special Metals Corporation

Ground Transportation Expense Breakdown

Date Incurred	Description	City	Cost	Method of Computation	Incurred By
10/07/03	From office to home	New York, New York	\$6.50	Vendor	W. Shaw
10/20/03	From office to home	New York, New York	\$7.50	Vendor	W. Shaw
10/21/03	From office to home	New York, New York	\$8.00	Vendor	W. Shaw
Total			\$22.00		

Special Metals Corporation

Research/Database Expense Breakdown

<u>Date Incurred</u>	<u>Description</u>	<u>City</u>	<u>Cost</u>	<u>Method of Computation</u>	<u>Incurred By</u>
Nov-03	Multex.Com	New York, NY	\$15.28	Vendor	Various
Total			\$15.28		

Special Metals Corporation

Courier Expense Breakdown

<u>Date</u> <u>Incurred</u>	<u>Description</u>	<u>City</u>	<u>Cost</u>	<u>Method of</u> <u>Computation</u>	<u>Incurred By</u>
10/30/03	Federal Express Corp.	New York, NY	\$11.30	Vendor	W. Shaw
10/31/03	Federal Express Corp.	New York, NY	\$70.02	Vendor	Various
Total			\$81.32		

Invoice

Invoice 1103 TRS SPM1

Date 24 November 2003



Special Metals Corporation
3200 Riverside Drive
Huntington, WV 25705

For the attention of Dennis L. Wanlass, Vice President & Chief Financial Officer

Monthly advisory fee: October 1, 2003 – October 31, 2003	\$150,000.00
80 percent of advisory fees:	X 0.80
	120,000.00
Out-of-pocket expenses to date:	1,455.70
Total Due	\$121,455.70

The disbursements and charges reflected on this statement are only those that have been booked at the end of this billing period. Disbursements and charges received and booked after the closing date of this statements will be billed subsequently.

Please transfer funds to:

JP Morgan Chase Address 500 Stanton Christiana Road Newark, DE 19713	Account Name: Rothschild Inc. Account Number: 0 045 42 212 ABA: 021000021
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Special Metals Corporation

Summary of Out-of-Pocket Expenses

Travel	-
Ground Transportation	162.00
Hotel	-
Miscellaneous	-
Meals	354.28
Word Processing	-
Copies	30.00
Research/Database	412.45
Communications	366.49
Legal Fees	-
Courier Services	<u>130.48</u>
Total	\$1,455.70

Special Metals Corporation

Ground Transportation Expense Breakdown

Date Incurred	Description	City	Cost	Method of Computation	Incurred By
09/24/03	From office to home	New York, New York	\$20.00	Vendor	D. Klock
10/08/03	From meeting to airport	New York, New York	\$142.00	Vendor	SPM board member
Total			\$162.00		

Special Metals Corporation

Meal Expense Breakdown

Date Incurred	Description	City	Cost	Method of Computation	Incurred By
08/21/03	Working dinner	New York, NY	\$22.80	Vendor	D. Klock
08/27/03	Working dinner	New York, NY	\$20.60	Vendor	D. Klock
08/28/03	Working dinner	New York, NY	\$25.00	Vendor	D. Klock
09/01/03	Working lunch (holiday)	New York, NY	\$22.00	Vendor	D. Klock & W. Shaw
09/01/03	Working dinner (holiday)	New York, NY	\$22.06	Vendor	D. Klock
09/01/03	Working dinner (holiday)	New York, NY	\$22.05	Vendor	W. Shaw
09/03/03	Working dinner	New York, NY	\$21.97	Vendor	D. Klock
09/05/03	Working dinner	New York, NY	\$19.72	Vendor	D. Klock
09/05/03	Working dinner	New York, NY	\$19.72	Vendor	C. Meyer
09/06/03	Working dinner	New York, NY	\$23.30	Vendor	D. Klock
09/06/03	Working dinner	New York, NY	\$23.30	Vendor	C. Meyer
09/07/03	Working dinner	New York, NY	\$25.00	Vendor	D. Klock
09/07/03	Working dinner	New York, NY	\$25.00	Vendor	C. Meyer
09/08/03	Working dinner	New York, NY	\$19.38	Vendor	W. Shaw
09/08/03	Working dinner	New York, NY	\$19.38	Vendor	C. Meyer
09/19/03	Working dinner	New York, NY	\$23.00	Vendor	D. Klock

\$354.28

Total

Special Metals Corporation

Copies Expense Breakdown

Date Incurred	Description	City	Cost	Method of Computation	Incurred By
Sep-03	Black & white copies	New York, NY	\$16.70	Vendor	Various
Oct-03	Black & white copies	New York, NY	\$13.30	Vendor	Various
Total			\$30.00		

Special Metals Corporation

Research/Database Expense Breakdown

Date Incurred	Description	City	Cost	Method of Computation	Incurred By
10/15/03	Multex	New York, New York	\$400.00	Vendor	Various
10/23/03	Factiva.com	New York, New York	\$12.45	Vendor	Various
Total			\$412.45		

Special Metals Corporation

Communications Expense Breakdown

Date Incurred	Description	City	Cost	Method of Computation	Incurred By
09/11/03	Conference call	New York, New York	\$262.64	Vendor	W. Shaw & 4 parties
09/23/03	Conference call	New York, New York	\$103.85	Vendor	W. Shaw & 7 parties
Total			\$366.49		

Special Metals Corporation

Courier Expense Breakdown

<u>Date</u>	<u>Description</u>	<u>City</u>	<u>Cost</u>	<u>Method of Computation</u>	<u>Incurred By</u>
09/29/03	Federal Express Corp.	New York, NY	\$11.19	Vendor	W. Shaw
10/08/03	Federal Express Corp.	New York, NY	\$119.29	Vendor	Various
Total			\$130.48		

Invoice

Invoice 1003 TRS SPM1

Date 24 October 2003



Special Metals Corporation
3200 Riverside Drive
Huntington, WV 25705

For the attention of Dennis L. Wanlass, Vice President & Chief Financial Officer

Monthly advisory fee: September 1, 2003 – September 30, 2003	\$150,000.00
80 percent of advisory fees:	X 0.80
	120,000.00
Out-of-pocket expenses to date:	1,651.44
Total Due	\$121,651.44

The disbursements and charges reflected on this statement are only those that have been booked at the end of this billing period.
Disbursements and charges received and booked after the closing date of this statements will be billed subsequently.

Please transfer funds to:

JP Morgan Chase Address 500 Stanton Christiana Road Newark, DE 19713	Account Name: Rothschild Inc. Account Number: 0 045 42 212 ABA: 021000021
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Special Metals Corporation

Summary of Out-of-Pocket Expenses

Travel	1,229.50
Ground Transportation	152.80
Hotel	173.03
Miscellaneous	0.00
Meals	27.16
Word Processing	-
Copies	-88.70
Research/Database	0.00
Communications	0.00
Legal Fees	35.00
Courier Services	<u>122.65</u>
Total	\$1,651.44

Special Metals Corporation

Travel Expense Breakdown

Date Incurred	Description	City	Cost	Method of Computation	Incurred By
09/02/03	NY/Lexington	New York, NY	\$529.00	Vendor	W. Shaw
09/02/03	Tzell service charge	New York, NY	\$25.00	Vendor	W. Shaw
09/03/03	Lexington/NY	New York, NY	\$600.50	Vendor	W. Shaw
09/03/03	Tzell service charge	New York, NY	\$25.00	Vendor	W. Shaw
09/11/03	Tzell service charge	New York, NY	\$25.00	Vendor	W. Shaw
09/11/03	Tzell service charge	New York, NY	\$25.00	Vendor	W. Shaw
Total			\$1,229.50		

Special Metals Corporation

Ground Transportation Expense Breakdown

Date Incurred	Description	City	Cost	Method of Computation	Incurred By
08/04/03	From office to home	New York, New York	\$5.75	Vendor	W. Shaw
08/05/03	From office to home	New York, New York	\$6.50	Vendor	W. Shaw
08/31/03	From office to home (wknd)	New York, New York	\$8.75	Vendor	W. Shaw
08/31/03	From home to office (wknd)	New York, New York	\$7.50	Vendor	W. Shaw
09/01/03	From home to office (holiday)	New York, New York	\$6.50	Vendor	W. Shaw
09/01/03	From office to home (holiday)	New York, New York	\$6.50	Vendor	W. Shaw
09/02/03	From airport to meeting	Lexington, Kentucky	\$18.00	Vendor	W. Shaw
09/02/03	From home to airport	New York, New York	\$40.80	Vendor	W. Shaw
09/03/03	From airport to home	New York, New York	\$28.00	Vendor	W. Shaw
09/11/03	From office to home	New York, New York	\$5.50	Vendor	W. Shaw
09/15/03	From office to home	New York, New York	\$19.00	Vendor	W. Shaw

Total

\$152.80

Special Metals Corporation

Hotel Expense Breakdown

<u>Date Incurred</u>	<u>Description</u>	<u>City</u>	<u>Cost</u>	<u>Method of Computation</u>	<u>Incurred By</u>
09/02/03	Radisson Plaza 1 night	Lexington, KY	\$173.03	Vendor	W. Shaw
Total			\$173.03		

Special Metals Corporation

Meal Expense Breakdown

Date Incurred	Description	City	Cost	Method of Computation	Incurred By
08/31/03	Working lunch (wknd)	New York, NY	\$16.00	Vendor	W. Shaw
09/02/03	Traveling meal (b'fast)	New York, NY	\$3.68	Vendor	W. Shaw
09/02/03	Traveling meal (lunch)	Lexington, KY	\$1.79	Vendor	W. Shaw
09/03/03	Traveling meal (dinner)	Lexington, KY	\$5.69	Vendor	W. Shaw
Total			\$27.16		

Special Metals Corporation

Copies Expense Breakdown

Date Incurred	Description	City	Cost	Method of Computation	Incurred By
Aug-03	Reconciliation of previous copy charge	New York, NY	(100.00)	Vendor	W. Shaw
Sep-03	Black & white copies	New York, NY	\$11.30	Vendor	Various
Total			-\$88.70		

Special Metals Corporation

Legal Fees Expense Breakdown

<u>Date Incurred</u>	<u>Description</u>	<u>City</u>	<u>Cost</u>	<u>Method of Computation</u>	<u>Incurred By</u>
09/16/03	Debevoise & Plimpton	New York, NY	\$35.00	Vendor	Various
Total			\$35.00		

Special Metals Corporation

Courier Expense Breakdown

Date Incurred	Description	City	Cost	Method of Computation	Incurred By
08/25/03	Federal Express Corp.	New York, NY	\$11.19	Vendor	Various
09/01/03	Federal Express Corp.	New York, NY	\$18.84	Vendor	Various
09/03/03	Federal Express Corp.	New York, NY	\$74.69	Vendor	Various
09/11/03	Federal Express Corp.	New York, NY	\$17.93	Vendor	Various
Total			\$122.65		

Invoice

Invoice 0903 TRS SPM1

Date 24 September 2003



Special Metals Corporation
3200 Riverside Drive
Huntington, WV 25705

For the attention of Dennis L. Wanlass, Vice President & Chief Financial Officer

Monthly advisory fee: August 1, 2003 – August 31, 2003	\$150,000.00
80 percent of advisory fees:	X 0.80
	120,000.00
Out-of-pocket expenses to date:	1,142.98
Total Due	\$121,142.98

The disbursements and charges reflected on this statement are only those that have been booked at the end of this billing period.
Disbursements and charges received and booked after the closing date of this statements will be billed subsequently.

Please transfer funds to:

JP Morgan Chase Address 500 Stanton Christiana Road Newark, DE 19713	Account Name: Rothschild Inc. Account Number: 0 045 42 212 ABA: 021000021
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Special Metals Corporation

Summary of Out-of-Pocket Expenses

Travel	504.50
Ground Transportation	124.80
Hotel	-
Miscellaneous	-
Meals	179.54
Word Processing	-
Copies	106.50
Research/Database	68.40
Communications	36.58
Legal Fees	-
Courier Services	<u>22.66</u>
Total	\$1,042.98

Special Metals Corporation

Travel Expense Breakdown

<u>Date Incurred</u>	<u>Description</u>	<u>City</u>	<u>Cost</u>	<u>Method of Computation</u>	<u>Incurred By</u>
07/31/03	NY/Washington, D. C./NY	New York, New York	\$479.50	Vendor	W. Shaw
07/31/03	Tzell service charge	New York, New York	\$25.00	Vendor	W. Shaw
Total			\$504.50		

Special Metals Corporation

Ground Transportation Expense Breakdown

Date Incurred	Description	City	Cost	Method of Computation	Incurred By
07/23/03	From office to home	New York, New York	\$20.00	Vendor	D. Klock
07/28/03	From office to home	New York, New York	\$19.00	Vendor	W. Shaw
07/30/03	From office to home	New York, New York	\$25.00	Vendor	D. Klock
08/05/03	From office to home	New York, New York	\$20.00	Vendor	D. Klock
08/08/03	From home to airport	New York, New York	\$40.80	Vendor	W. Shaw
Total			\$124.80		

Special Metals Corporation

Meal Expense Breakdown

Date Incurred	Description	City	Cost	Method of Computation	Incurred By
04/28/03	Working dinner	New York, NY	\$19.23	Vendor	D. Klock
06/16/03	Working dinner	New York, NY	\$29.45	Vendor	D. Klock
07/11/03	Working dinner	New York, NY	\$22.64	Vendor	D. Klock
07/14/03	Working dinner	New York, NY	\$22.15	Vendor	D. Klock
07/18/03	Working dinner	New York, NY	\$23.43	Vendor	D. Klock
07/28/03	Working dinner	New York, NY	\$13.90	Vendor	D. Klock
08/04/03	Working dinner	New York, NY	\$24.99	Vendor	D. Klock
08/07/03	Working dinner	New York, NY	\$23.75	Vendor	D. Klock

Total \$179.54

Special Metals Corporation

Copies Expense Breakdown

Date	Description	City	Cost	Method of Computation	Incurred By
Aug-03	Copies	Washington, D. C.	\$100.00	Vendor	Washington, D. C. office
Aug-03	Black & white copies	New York, NY	\$6.50	Vendor	D. Grasso-Shandley
Total			\$106.50		

Special Metals Corporation

Research/Database Expense Breakdown

Date Incurred	Description	City	Cost	Method of Computation	Incurred By
07/01/03	Multex.Com	New York, New York	\$33.56	Vendor	Various
08/04/03	Buyout handbook (reference)	Washington, D.C.	\$34.84	Vendor	K. McKeon
Total			\$68.40		

Special Metals Corporation

Communications Expense Breakdown

Date Incurred	Description	City	Cost	Method of Computation	Incurred By
08/02/03	Calls pertaining to client	Washington, D. C.	\$34.50	Vendor	Washington, D.C. office
08/10/03	Long distance calls	Washington, D. C.	\$2.08	Vendor	Washington, D.C. office
Total			\$36.58		

Special Metals Corporation

Courier Expense Breakdown

Date	Description	City	Cost	Method of Computation	Incurred By
<u>08/05/03</u>	<u>Federal Express Corp.</u>	<u>New York, NY</u>	<u>\$22.66</u>	<u>Vendor</u>	<u>Various</u>
Total			\$22.66		

EXHIBIT C

ROTHSCHILD INC.
SUMMARY OF SERVICES RENDERED
November 1, 2003 – November 30, 2003

Rothschild Professionals:

Todd Snyder	Managing Director
James Griffin	Managing Director
Ron Vance	Managing Director
William Shaw	Vice President
Kerry McKeon	Vice President
Daniel Klock	Associate
Carissa Meyer	Analyst

Operational Due Diligence

- Participated in conference calls with officers and employees of the Debtors to review trends in current operating performance and forecast outlook

Financial Analysis

- Reviewed the Debtors' short-term liquidity forecasts, recent performance, bookings and shipments
- Reviewed multiple drafts of the Debtors' estimated borrowing base and availability analyses, including numerous discussions with the Management and exit lender

Creditor Meetings and Discussions

- Participated in numerous discussions with Management to review creditor topics and next steps
- Participated in calls with the advisors to the Bank Group regarding status and next steps
- Participated on conference calls with Bank Group (11/4, 11/21) and its advisors to review status of exit financing, open issues and next steps

Board of Directors Meetings and Discussions

- Participated in Board of Directors call (11/25) to discuss current status of the plan of reorganization, PBGC status, exit financing and creditor discussions

Plan of Reorganization Analysis

- Participated in regularly scheduled calls with officers and employees of the Debtors and its other advisors to review and discuss case status
- Participated in discussions and assisted in developing analysis of claims and administrative expenses
- Held discussions with Banks' advisors to review status of exit facility process

Plan of Reorganization Negotiations

- Participated in calls with the Bank Group Agent/advisors, Management and their advisors to discuss the terms of the Second Lien Note
- Participated in numerous discussions with Management regarding PBGC negotiations

Exit Financing

- Reviewed and commented on various drafts of the exit credit facility, terms, covenants and conditions, including numerous discussions with officers and employees of the Debtors regarding open items and next steps
- Reviewed and commented on various drafts of the intercreditor agreement
- Participated in numerous discussions with the exit lender regarding borrowing base, syndication, credit agreement, covenants, open items and next steps
- Participated in discussions with the Bank Group Agent/advisors and the exit lender regarding the intercreditor agreement and terms of the Second Lien Note
- Prepared analyses of borrowing base availability and funding of the Plan of Reorganization, including numerous discussions with officers and employees of the Debtors regarding eligibility and reserves

ROTHSCHILD INC.
SUMMARY OF SERVICES RENDERED
October 1, 2003 – October 31, 2003

Rothschild Professionals:

Todd Snyder	Managing Director
James Griffin	Managing Director
Ron Vance	Managing Director
William Shaw	Vice President
Kerry McKeon	Vice President
Daniel Klock	Associate
Carissa Meyer	Analyst

Operational Due Diligence

- Participated in meetings and conference calls with officers and employees of the Debtors to review trends in current operating performance and forecast outlook

Financial Analysis

- Reviewed the Debtors' short-term liquidity forecasts, recent performance, bookings and shipments
- Reviewed multiple drafts of the Debtors' estimated borrowing base and availability analyses, including numerous discussions with the Management and exit lender

Creditor Meetings and Discussions

- Participated in numerous discussions with Management to review creditor topics and next steps
- Participated in numerous calls with the advisors to the Bank Group regarding status and next steps
- Participated on conference calls with Bank Group Agent and its advisors to review status of exit financing, open issues and next steps

Board of Directors Meetings and Discussions

- Participated in Board of Directors meeting (10/7) and call (10/27) to discuss current status of the plan of reorganization, PBGC status, exit financing and creditor discussions

Plan of Reorganization Analysis

- Participated in regularly scheduled calls with officers and employees of the Debtors and its other advisors to review and discuss case status
- Participated in meetings and calls with the Debtor and its other advisors regarding PBGC status.
- Participated in discussions and assisted in developing analysis of claims and administrative expenses
- Held discussions with Banks' advisors to review status of exit facility process
- Assisted in coordinating information requests by the PBGC

Plan of Reorganization Negotiations

- Reviewed and participated in numerous meetings and discussions with the Debtors and its other advisors regarding plan of reorganization terms and open issues
- Participated in calls with the Bank Group Agent/advisors, Management and their advisors to discuss the terms of the Second Lien Note
- Participated in numerous meetings and discussions with Management regarding union and PBGC negotiations

Exit Financing

- Reviewed and commented on various drafts of the exit credit facility, terms, covenants and conditions, including numerous discussions with officers and employees of the Debtors regarding open items and next steps
- Reviewed and commented on various drafts of the intercreditor agreement
- Participated in numerous discussions with the exit lender regarding borrowing base, syndication, credit agreement, covenants, open items and next steps
- Participated in discussions with the Bank Group Agent/advisors and the exit lender regarding the intercreditor agreement and terms of the Second Lien Note
- Participated in meetings with the exit lender and Bank Group Agent/advisors regarding negotiation of credit agreements
- Prepared analyses of borrowing base availability and funding of the Plan of Reorganization, including numerous discussions with officers and employees of the Debtors regarding eligibility and reserves

- Assisted in coordinating the further due diligence by exit lenders