

**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF KENTUCKY
ASHLAND DIVISION**

IN THE MATTER OF:

SPECIAL METALS CORPORATION, et al.
Debtors.

Chapter 11 Case

**CASE NOS. 02-10335-
02-10338**

**JOINTLY ADMINISTERED
JUDGE WILLIAM S. HOWARD**

**ORDER APPROVING FOURTH INTERIM AND FINAL APPLICATION
OF ROTHSCHILD INC. FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES**

Upon consideration of the Fourth Interim and Final Application of Rothschild Inc. for Compensation and Reimbursement of Expenses (the "Application") for (i) the period August 1, 2003 through November 26, 2003 (the "Fourth Interim Period") and (ii) the period July 9, 2002 through November 26, 2003 (the "Final Period"), filed on behalf of Rothschild Inc. ("Rothschild"); and the Court having found and determined that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, that this proceeding is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2) and that venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having reviewed the Application and prior fee applications submitted by or on behalf of Rothschild during the pendency of these Chapter 11 cases; and it appearing that the Application is in compliance with the terms and provisions of each of (i) Sections 327(a), 328(a) and 331 of Title 11 of the United States Code (the "Bankruptcy Code"), (ii) Rule 2016 of the Federal Rules of Bankruptcy Procedure, (iii) the Order of this Court, dated May 2, 2002 (the "Fee Procedures Order"), establishing procedures for interim compensation and reimbursement of expenses of professionals, (iv) the Order of this Court, dated September 13, 2002 (the "Retention Order"), approving the retention of Rothschild as financial advisor and investment banker to the Debtors, nunc pro tunc, as of July 9, 2002,

under the terms set forth in the Debtors' application therefor and under the terms of the engagement letter, dated July 9, 2002 (the "Engagement Letter") between Rothschild and the Debtors and (v) the Order of this Court, dated September 29, 2003, confirming the Debtors' Second Amended Joint Plan of Reorganization dated August 7, 2003; and due and adequate notice of the Application having been given under the circumstances; and all persons with standing having been afforded the opportunity to be heard on the Application; and capitalized terms used but not defined herein being used with their defined meanings as set forth in the Application; and after due deliberation, and good and sufficient cause appearing therefor, it is hereby:

ORDERED, that the Application be, and it hereby is, granted in its entirety; and it is further

ORDERED, that Rothschild is granted (i) interim allowance of compensation for the Fourth Interim Period in the amount of \$1,538,709.68 for services rendered by Rothschild as financial advisor and investment banker to the Debtor and reimbursement of \$4,413.18 for actual, necessary and reasonable expenses incurred and recorded by Rothschild during the Fourth Interim Period for a total of \$1,543,122.86; and (ii) final allowance of compensation for the Final Period in the amount of \$3,450,000.00 for services rendered by Rothschild as financial advisor and investment banker to the Debtor, and reimbursement of expenses incurred and recorded by Rothschild during the Final Period in the amount of \$164,205.60, for a total of \$3,614,205.60; and it is further

ORDERED that the Debtors are authorized and directed to pay to Rothschild all compensation and reimbursements allowed hereunder, to the extent not already paid to Rothschild, including any and all fees and expenses allowed under this Order and not yet paid to

Rothschild pursuant to the "holdback" provisions contained in the Fee Procedures Order; and it is further

ORDERED that any and all payments heretofore made to Rothschild pursuant to prior orders of this Court in respect of Rothschild's fees and expense reimbursements accrued during the Final Period are hereby ratified and confirmed as a final matter; and it is further

ORDERED that, notwithstanding the possible applicability of Bankruptcy Rules 6006(d), 7062, 9014, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED, that this Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: _____, 2003

Hon. William S. Howard
United States Bankruptcy Judge

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***The affixing of this Court's electronic seal below is proof this document has been signed by the Judge and electronically entered by the Clerk in the official record of this case.***



**Signed By:**  
***William S. Howard***  
**Bankruptcy Judge**  
**Dated: Tuesday, March 16, 2004**  
**(wsh)**

**Pursuant to Local Rule 9022-1(c), counsel for the Debtors shall cause a copy of this order to be served on each of the parties listed below pursuant to Local Rule 9022-1(a) and shall file with the court a certificate of service of the order upon such parties within ten (10) days hereof.**

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