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PRESS RELEASE

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Schnitzer Steel to Add Three Stores To Its Pick-N-Pull Auto Parts Business

(Portland, Oregon) – Schnitzer Steel Industries, Inc. (“Schnitzer”; NASDAQ: SCHN) announced today that its wholly owned subsidiary, PNP Auto Parts Canada Co., signed definitive agreements to buy the assets and will lease the sites of three self service used auto parts stores in Calgary and Edmonton, Alberta and Kelowna, British Columbia from Sheppard Holdings Ltd. of Calgary, Alberta Canada, or its affiliates. The three stores currently operate under the name of Pick Your Part.

Under the terms of the agreements, PNP Auto Parts Canada Co. will purchase the inventory, equipment and other assets from affiliates of Sheppard Holdings. The Pick Your Part stores have been in operation in Calgary and Edmonton since the mid-80’s and the Kelowna store opened in 2000. The closing is tentatively set for March 8, 2004.

Commenting on the agreement, Robert W. Philip, President and Chief Executive Officer of Schnitzer, said, “We anticipate the acquisition of the Pick Your Part stores will fit in nicely with our 23 existing Pick-N-Pull stores located in the United States. This acquisition expands the geographic scope of our auto parts business into the Canadian market as part of our strategy to aggressively grow the business in North America. These stores have operated profitably and enjoy a good reputation with their customer base. I am especially pleased by the quality of the management team and work force that will be retained at these three locations. Further, we anticipate that this acquisition will be immediately accretive to earnings.”



This Calgary, Alberta store is one of three self serve used auto parts and auto dismantling sites being acquired by Schnitzer Steel.

Philip went on to recognize the reputation and industry leadership of Pick Your Part in both Canada and the United States, calling attention to the fact that, "Pick-N-Pull's first Canadian acquisition is with the Jack Sheppard family. I'm pleased that Jack Sheppard will be joining the board of directors for PNP Auto Parts



Easily accessible rows of auto bodies for self serve customers looking for used auto parts at one of the Pick Your Part stores in Canada being acquired by Schnitzer Steel.

Canada Co. and that he and members of his family will acquire a ten percent interest in that company." Several Sheppard family members have been prominently involved in leadership positions with the Automotive Recyclers Association, the leading dismantler trade association in North America. Jack Sheppard served as President of ARA in 1988 and his son, Phil Sheppard, served as President in 2002.

PNP Auto Parts Canada Co. will do business at the three stores as Pick Your Part. The Pick Your Part stores will join Schnitzer's existing network of 23 Pick-N-Pull stores located in six western and mid-western U.S. states. At each store, automobiles are displayed for customers to view and remove parts for purchase. The remaining recycled autobodies are then sold for scrap to local metals recycling facilities, including Schnitzer recycling and processing yards where applicable.

The self service used auto parts business is an important segment of Schnitzer's growth. The acquisition of the Canada stores is the first follow-up to Schnitzer's February 2003 acquisition to complete its 100% ownership of its previous 50% joint venture in Pick-N-Pull Auto Dismantlers and acquire the Stockton (CA) Pick-N-Pull.

Schnitzer Steel Industries, Inc. is one of the nation's largest recyclers of ferrous metals and a steel mini mill manufacturer of new finished steel products. The company, with its joint venture partners, processes approximately 4.9 million of recycled ferrous metals per year. In addition, the company's steel mill has an annual production capacity of approximately 700,000 tons of finished steel products. Schnitzer and its joint venture partners operate primarily along the U.S. west coast and the northeastern seaboard of the U.S.

This news release contains forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. One can generally identify these forward-looking statements because they contain "expect", "believe", "anticipate", "estimate" and other words that convey a similar meaning. One can also identify these statements, as they do not relate strictly to historical or current facts. In particular, this news release includes a prediction that the Pick Your Part acquisition will be accretive to the Company's earnings. Pick Your Part's business is subject to a number of risks that could prevent it from maintaining or exceeding its current levels of profitability, such as volatile supply and demand conditions affecting prices and volumes in the markets for Pick Your Part's products, services and raw materials; local and worldwide economic conditions; increased competition; and business integration and management transition issues. One should understand that it is not possible to predict or identify all factors that could cause actual results to differ from the Company's forward-looking statements. Consequently, the reader should not consider any such list to be a complete statement of all potential risks or uncertainties. The Company does not assume any obligation to update any forward-looking statement.