



3200 NW Yeon Avenue
P.O. Box 10047
Portland, Oregon 97296-0047
Phone: (503) 224-9900
Fax: (503) 323-2804

PRESS RELEASE

January 4, 2005

Financial Contact: Barry Rosen (503) 323-2720

Press Contact: Tom Zelenka (503) 323-2821

www.schnitzersteel.com

SCHNITZER STEEL CONTINUES ITS EXPANSION OF PICK-N-PULL

PORTLAND, OREGON – January 4, 2005 - Schnitzer Steel Industries, Inc. (NASDAQ: SCHN) today announced that its retail used auto parts chain, Pick-n-Pull, signed a definitive agreement to buy the assets and lease the sites for four self service used auto parts stores in St. Louis and Kansas City, Missouri, Columbus, Ohio and Virginia Beach, Virginia from Vehicle Recycling Solutions LLC (VRS). The Company anticipates the transaction will close in mid January 2005.

Commenting on the acquisition, Pick-n-Pull's President, Tom Klauer, said, "The addition of these four stores will fit nicely into Pick-N-Pull's existing 26 store network. The St. Louis, Kansas City and Columbus stores increase the Company's existing mid-west store base and the Virginia Beach store provides Pick-n-Pull with an eastern presence giving us a platform to expand our network of stores along the eastern seaboard. In addition, the stores come with good management teams and a work force that will support Pick-n-Pull's integration of this business and the continued expansion of its store network. The Company anticipates this acquisition will be accretive to earnings."

Pick-n-Pull's self service used auto parts business is an important segment of Schnitzer's growth plans. The VRS acquisition comes less than a year after Pick-n-Pull's acquisition of three Canadian stores in March 2004.

Schnitzer Steel Industries, Inc. is one of the nation's largest recyclers of ferrous metals, a leading self-service used auto parts retailer with 26 current locations in the U.S. and Canada operating under the name of Pick-N-Pull, and manufacturer of finished steel products. The Company, with its joint venture partners, processes approximately 5.2 million tons of recycled ferrous metals per year as well as brokers nearly 3.0 million tons through various brokerage arrangements. In addition, the Company's steel mill has an annual production capacity of approximately 700,000 tons of finished steel products. The Company and its joint venture partners operate primarily along the West Coast and Northeastern seaboard of the United States.

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 statements that do not relate strictly to historical or current facts. In particular, this news release includes a prediction that the VRS acquisition will be accretive to the Company's earnings.

The self service used auto parts business, including the VRS stores, is subject to a number of risks that could prevent the VRS stores from maintaining or exceeding their current levels of profitability, such as volatile supply and demand conditions affecting prices and volumes in the markets for products, services, automobile feedstock and other raw materials; local and worldwide economic conditions; increased competition; weather; and business integration issues, all as discussed in more detail under the heading "Factors That Could Affect Future Results" in the Company's most recent annual report on Form 10-K. 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.

For more information about Schnitzer Steel Industries, Inc. go to www.schnitzersteel.com.