

SCHNITZER STEEL INDUSTRIES INC  
 Form 4  
 May 10, 2007

**FORM 4**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**PHILIP ROBERT W**

2. Issuer Name and Ticker or Trading Symbol  
**SCHNITZER STEEL INDUSTRIES INC [SCHN]**

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
**SCHNITZER INVESTMENT CORP., 1211 SW FIFTH AVENUE, SUITE 2250**

3. Date of Earliest Transaction (Month/Day/Year)  
**05/08/2007**

\_\_\_\_ Director  
 \_\_\_\_ Officer (give title below)  
 10% Owner  
 \_\_\_\_ Other (specify below)

(Street)  
**PORTLAND, OR 97204**

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |   |               |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|---|---------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |   |               |
| CLASS A COMMON STOCK            | 05/08/2007                           |  | C                              |   | 1,200   | A  | <u>(1)</u> 1,200                  | I | See note. (2) |
| CLASS A COMMON STOCK            | 05/08/2007                           |  | S                              |   | 1,200   | D  | \$ 55 0                           | I | See note. (2) |
| CLASS A COMMON STOCK            | 05/09/2007                           |  | C                              |   | 2,000   | A  | <u>(3)</u> 2,000                  | I | See note. (4) |

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|                            |            |   |       |   |           |   |                  |
|----------------------------|------------|---|-------|---|-----------|---|------------------|
| CLASS A<br>COMMON<br>STOCK | 05/09/2007 | S | 2,000 | D | \$ 55 0   | I | See note.<br>(4) |
| CLASS A<br>COMMON<br>STOCK | 05/09/2007 | C | 6,800 | A | (5) 6,800 | I | See note.<br>(2) |
| CLASS A<br>COMMON<br>STOCK | 05/09/2007 | S | 6,800 | D | \$ 55 0   | I | See note.<br>(2) |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| CLASS B<br>COMMON<br>STOCK                 | (1)  | 05/08/2007                           |  | C                              | 1,200   | (1) (1)  | CLASS A<br>COMMON<br>STOCK                                    | 1,200                         |
| CLASS B<br>COMMON<br>STOCK                 | (3)  | 05/09/2007                           |  | C                              | 2,000   | (3) (3)  | CLASS A<br>COMMON<br>STOCK                                    | 2,000                         |
| CLASS B<br>COMMON<br>STOCK                 | (5)  | 05/09/2007                           |  | C                              | 6,800   | (5) (5)  | CLASS A<br>COMMON<br>STOCK                                    | 6,800                         |

## Reporting Owners

| Reporting Owner Name / Address | Relationships |           |         |       |
|--------------------------------|---------------|-----------|---------|-------|
|                                | Director      | 10% Owner | Officer | Other |

PHILIP ROBERT W  
SCHNITZER INVESTMENT CORP. X  
1211 SW FIFTH AVENUE, SUITE 2250  
PORTLAND, OR 97204

PHILIP RITA S  
SCHNITZER INVESTMENT CORP. X  
1211 SW FIFTH AVENUE, SUITE 2250  
PORTLAND, OR 97204

## Signatures

/s/ Robert W.  
Philip 05/10/2007

\*\*Signature of  
Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

The Class B Common Stock is convertible into Class A Common Stock at any time on a one-for-one basis, and has no expiration date. On  
(1) May 8, 2007, Michele B. Philip converted a total of 1,200 shares of Class B Common Stock to 1,200 shares of Class A Common Stock.  
Michele B. Philip is the daughter of Robert W. Philip and Rita S. Philip.

(2) Held personally by Michele B. Philip, daughter of Robert W. Philip and Rita S. Philip.

The Class B Common Stock is convertible into Class A Common Stock at any time on a one-for-one basis, and has no expiration date. On  
(3) May 9, 2007, the Michele B. Philip Trust dated December 22, 1994, Rita S. Philip Trustee, converted a total of 2,000 shares of Class B  
Common Stock to 2,000 shares of Class A Common Stock. Michele B. Philip is the daughter of Robert W. Philip and Rita S. Philip.

(4) Held by Michele B. Philip Trust dated December 22, 1994, Rita S. Philip Trustee. Michele B. Philip is the daughter of Robert W. Philip  
and Rita S. Philip.

The Class B Common Stock is convertible into Class A Common Stock at any time on a one-for-one basis, and has no expiration date. On  
(5) May 9, 2007, Michele B. Philip converted a total of 6,800 shares of Class B Common Stock to 6,800 shares of Class A Common Stock.  
Michele B. Philip is the daughter of Robert W. Philip and Rita S. Philip.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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