

SCHNITZER STEEL INDUSTRIES INC  
 Form 4  
 April 10, 2007

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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**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 MICHELE BABBETTE**

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)

3. Date of Earliest Transaction (Month/Day/Year)  
 11/10/2006

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

**SCHNITZER INVESTMENT CORP., 1211 SW FIFTH AVENUE, SUITE 2250**

(Street)

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

**PORTLAND, OR 97204**

(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) | (A) or (D) | 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 Indirect Beneficial Ownership (Instr. 4) |                 |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|---|--|---|-----------------|
|                                 |                                      |  | Code                           | V   | Amount     | Price   |  |   |                 |
| Class A Common Stock            | 11/10/2006                           |  | C                              |   | 30,000     | \$ 0  | 30,000   | I   | By Voting Trust |
| Class A Common Stock            | 11/15/2006                           |  | S                              |   | 1,000      | \$ 40   | 29,000   | I   | By Voting Trust |
| Class A Common Stock            | 11/15/2006                           |  | S                              |   | 1,000      | \$ 40.006   | 28,000   | I   | By Voting Trust |

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|                            |            |  |   |       |   |              |        |   |                    |
|----------------------------|------------|--|---|-------|---|--------------|--------|---|--------------------|
| Class A<br>Common<br>Stock | 11/15/2006 |  | S | 1,000 | D | \$<br>40.223 | 27,000 | I | By Voting<br>Trust |
| Class A<br>Common<br>Stock | 11/15/2006 |  | S | 1,000 | D | \$<br>40.244 | 26,000 | I | By Voting<br>Trust |
| Class A<br>Common<br>Stock | 11/15/2006 |  | S | 1,000 | D | \$<br>40.352 | 25,000 | I | By Voting<br>Trust |
| Class A<br>Common<br>Stock | 11/15/2006 |  | S | 1,000 | D | \$<br>40.443 | 24,000 | I | By Voting<br>Trust |
| Class A<br>Common<br>Stock | 11/15/2006 |  | S | 1,000 | D | \$<br>40.572 | 23,000 | I | By Voting<br>Trust |
| Class A<br>Common<br>Stock | 11/15/2006 |  | S | 1,000 | D | \$ 40.39     | 22,000 | I | By Voting<br>Trust |
| Class A<br>Common<br>Stock | 11/15/2006 |  | S | 1,000 | D | \$ 40.11     | 21,000 | I | By Voting<br>Trust |
| Class A<br>Common<br>Stock | 11/15/2006 |  | S | 1,000 | D | \$<br>40.055 | 20,000 | I | By Voting<br>Trust |
| Class A<br>Common<br>Stock | 11/22/2006 |  | S | 709   | D | \$ 41        | 19,291 | I | By Voting<br>Trust |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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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<br>Derivative<br>Security<br>(Instr. 3) | 2.<br>Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4.<br>Transaction<br>Code<br>(Instr. 8) | 5. Number of<br>Derivative<br>Securities<br>Acquired (A)<br>or Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) | 8. P<br>Der<br>Sec<br>(Ins |                        |
|---|---|---|---|---|--|--|---|----------------------------|------------------------|
|   |   |   |   | Code                                    | V (A) (D)  | Date<br>Exercisable  | Expiration<br>Date  | Title                      | Amount<br>or<br>Number |

