



To: All Valued Steel King Customers

From: Jay Anderson, President

Date: February 19, 2007

Re: February Steel Surcharge Notification

The most recent structural steel pricing and surcharges have been announced. **The Raw Material Surcharge (RMS) has been increased by \$40 per ton, while the Base price decreased by only \$10 per ton. The net effect is that transaction pricing will increase by \$30/ton or \$0.015/lb.** Therefore, Steel King's structural product surcharges will increase from last month's amounts.

On a positive note, Steel King has not seen this type of increase on non-structural steel, so the surcharge on those products will not change.

The two-tier steel cost surcharge pass-through will be:

For orders shipping February 19 – March 18, 2007:

- a. SK3000 structural pallet rack, excluding step beams: \$0.113/# net cost
- b. SK2000 roll-formed pallet rack, and all other products \$0.09/# net cost

For orders shipping March 19 – April 15, 2007:

- c. SK3000 structural pallet rack, excluding step beams: \$0.128/# net cost (Increased)
- d. SK2000 roll-formed pallet rack, and all other products \$0.09/# net cost (Unchanged)

We will continue to post the latest news and actual surcharge announcements from our suppliers on our website at <http://www.steelking.com/steel/index.cfm>.

We appreciate your continued support and understanding during this situation.