



To: All Valued Steel King Customers

From: Jay Anderson, President

Date: January 16, 2007

Re: January Steel Surcharge Notification

The most recent structural steel pricing and surcharges have been announced. **The Raw Material Surcharge (RMS) has been increased by \$25 per ton, however the Base price decreased by only \$10 per ton. The net effect is that transaction pricing will increase by \$15/ton or \$0.0075/lb.** Therefore, Steel King's surcharges will increase from last month's amounts.

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

For orders shipping January 15 – February 18, 2007:

- a. SK3000 structural pallet rack, excluding step beams: \$0.1055/# net cost (Unchanged)
- b. SK2000 roll-formed pallet rack, and all other products \$0.0825/# net cost (Unchanged)

For orders shipping February 19 – March 18, 2007:

- c. SK3000 structural pallet rack, excluding step beams: \$0.113/# net cost (Increased)
- d. SK2000 roll-formed pallet rack, and all other products \$0.09/# net cost (Increased)

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.