



To: All Valued Steel King Customers

From: Jay Anderson, President

Date: July 21, 2008

Re: July Steel Surcharge Announcement & *Important Change in Classifications*

The most recent structural steel costs and surcharges have been announced. The Raw Material Surcharge (RMS) has been increased by \$65 per ton, while the Base price is unchanged. The net effect is that transaction pricing will be increased by \$65 per ton or \$0.0325 per pound. Therefore, Steel King's **structural product surcharges will increase by \$0.0325.**

Costs of coil steel has held steady. Therefore, the **surcharge on SK2000 pallet rack will be unchanged.**

For clarification, **prices on Steel King pallet flow rails include surcharges** and none will be added at invoicing. The racking portion of flow projects will be invoiced for surcharges applicable to the specific type of rack.

In a departure from past experience where the cost of sheet metal and tubing tracked with coil, costs of sheet metal and tubing have increased significantly. **Surcharges on products primarily manufactured with sheet metal or tubing (for example, standard or light-duty cantilever rack, portable racks, containers, shipping racks, and guard rail) will be subject to a separate surcharge rate as shown below (\$0.4317/#).**

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

For orders shipping July 21 – August 17, 2008:

- a. SK3000 structural pallet rack, excluding step beams;
I-beam cantilever and Guard Dawg: \$0.3140/# net cost
- b. SK2000 roll-formed pallet rack, and all other products \$0.3554/# net cost

For orders shipping August 18 – September 14, 2008:

- a. SK3000 structural pallet rack, excluding step beams;
I-Beam Cantilever and Guard Dawg: \$0.3465/# net cost (increased)
- b. SK2000 roll-formed pallet rack & Step Beams \$0.3554/# net cost (no change)
- c. SK3400 pallet flow rails & brakes (only) n/a
- d. All Sheet Metal or Tube based Products \$0.4317/# net cost (increased)

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