



To: All Valued Steel King Customers

From: Jay Anderson, President

Date: May 15, 2008

Re: May Steel Surcharge Announcement & New Dealer Discount Schedules

Since our last Surcharge Announcement back in March, Structural steel pricing and surcharges have continued to rise to unprecedented levels. In April, the net change in transaction pricing was a \$147 per ton or \$0.0735 per pound increase. Now in May, the Raw Material Surcharge (RMS) has been increased by another \$10 per ton, while the Base Price increased by \$30 per ton. **The net effect of all these changes is that transaction pricing has increased by \$187 per ton or \$0.0935 per pound since our last notice.** Steel King will therefore increase our surcharge on SK3000 by \$0.0935 per pound.

Pricing on Non-structural steel products has also continued to climb at much higher than anticipated levels; sheet steel pricing has increased by another \$0.14 per pound.

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

For orders shipping April 21 – June 1, 2008:

- a. SK3000 structural pallet rack, excluding step beams;
I-beam cantilever and Guard Dawg: \$0.2030/# net cost
- b. SK2000 roll-formed pallet rack, and all other products \$0.2154/# net cost

For orders shipping June 2 – July 20, 2008:

- a. SK3000 structural pallet rack, excluding step beams;
I-beam cantilever and Guard Dawg: \$0.2965/# net cost (Increased)
- b. SK2000 roll-formed pallet rack, and all other products \$0.3554/# 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>. Please review this page for the latest announcements from our steel vendors.