



**To:** All Valued Steel King Customers

**From:** Jay Anderson, President

**Date:** February 22, 2011

**Re:** February 2011 Steel Pricing Announcement

**Good News...** Steel King Industries recently announced a new policy to lock the steel surcharge rates on the majority of new orders. Please see our recent email (2/14/11) for details on this new policy, which is designed to you give you cost security.

**Locked Rate:** Subject to change without prior notice, valid on quotations for 10 days after quote date, orders must be shipped within 56 days. Contact Steel King for complete conditions.

- |  |                     |
|--|---------------------|
| a. SK3000 structural pallet rack, excluding step beams;<br>I-Beam cantilever and Guard Dawg: | \$0.2525/# net cost |
| b. SK2000 roll-formed pallet rack & step beams   | \$0.2900/# net cost |
| c. SK3400 pallet flow rails & brakes (only)  | n/a                 |
| d. All Sheet Metal or Tube based Products  | \$0.2675/# net cost |

**For orders placed prior to the new program introduction, or which do not qualify for the new “lock” policy, the following terms apply.**

The most recent structural steel pricing and surcharges have been announced. The Nucor Raw Material Surcharge (RMS) decreased by \$15 per ton; however the base price was raised by \$15 per ton. The net effect is that the transaction pricing is unchanged. Therefore, Steel King’s surcharge on Structural products will also be left at the existing level.

There was also a dramatic increase in the price of coil steel used in SK2000 roll-formed products. Steel King has received three price increase notices since our last surcharge notice, therefore Steel King’s surcharge on SK2000 and step beams will also be increased.

Tubular steel has risen most dramatically of all. Steel King will also need to increase the surcharge on all Sheet and Tube based products.

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

**For orders shipping February 21, 2011 – March 20, 2011:**

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|--|---------------------|
| a. SK3000 structural pallet rack, excluding step beams;<br>I-Beam cantilever and Guard Dawg: | \$0.2525/# net cost |
| b. SK2000 roll-formed pallet rack & step beams   | \$0.2500/# net cost |
| c. SK3400 pallet flow rails & brakes (only)  | n/a                 |
| d. All Sheet Metal or Tube based Products  | \$0.2275/# net cost |

**For orders shipping March 21 – April 17, 2011:**

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|--|--|
| a. SK3000 structural pallet rack, excluding step beams;<br>I-Beam cantilever and Guard Dawg: | \$0.2525/# net cost                      |
| b. SK2000 roll-formed pallet rack & step beams   | \$0.2900/# net cost ( <b>Increased</b> ) |
| c. SK3400 pallet flow rails & brakes (only)  | n/a                                      |
| d. All Sheet Metal or Tube based Products  | \$0.2675/# net cost ( <b>Increased</b> ) |

We at Steel King recognize the challenges imposed upon all of us in steel products industries caused by these steel-producer imposed price changes. The pricing changes listed above are a complete pass-through without markup and can be verified from many independent sources.

**In addition, we continue to post the latest news and actual surcharge announcements from our suppliers on our website at <http://www.steelking.com/pricing-documentation.html> . Please review this page for the latest announcements from our steel vendors.**