



To: All Valued Steel King Customers
From: Jay Anderson, President
Date: January, 2012
Re: **January 2012 Steel Pricing Announcement**

For orders which do not qualify for the new “locked” surcharge policy, the following terms apply.

The most recent structural steel pricing and surcharges have been announced. The Nucor Raw Material Surcharge (RMS) was increased by \$30 per ton and the base price was unchanged. The net effect is that the transaction pricing will increase \$30 per ton or \$0.015 per pound. Therefore, Steel King’s surcharge on Structural products will also be increased by the same amount.

The price of coil steel used in SK2000 roll-formed products has remained steady, and therefore no changes will be made to this surcharge amount.

The price of tube steel increased during the month; please check the price announcements on our website. Steel King will therefore need to increase the surcharge on Sheet Metal and Tube products.

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

For orders shipping January 16, 2012 – February 19, 2012:

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|--|---------------------|
| a. SK3000 structural pallet rack, excluding step beams;
I-Beam cantilever and Guard Dawg: | \$0.0875/# net cost |
| b. SK2000 roll-formed pallet rack & step beams | \$0.0340/# net cost |
| c. SK3400 pallet flow rails & brakes (only) | n/a |
| d. All Sheet Metal or Tube based Products | \$0.0550/# net cost |

For orders shipping February 20, 2012 –March 18, 2012:

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| a. SK3000 structural pallet rack, excluding step beams;
I-Beam cantilever and Guard Dawg: | \$0.1025/# net cost (Increased) |
| b. SK2000 roll-formed pallet rack & step beams | \$0.0340/# net cost (No Change) |
| c. SK3400 pallet flow rails & brakes (only) | n/a |
| d. All Sheet Metal or Tube based Products | \$0.0700/# net cost (Increased) |

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.