



To: All Valued Steel King Customers

From: Jay Anderson, President

Date: June 22, 2011

Re: June 2011 Steel Pricing Announcement

Since our last surcharge announcement, Steel King has published completely new list price sheets for nearly all its products. As part of the new list pricing, Steel King rolled a large portion of the steel surcharges into the new list prices. By moving a percentage of the steel surcharge into the list pricing, Steel King was able to reduce the active steel surcharges. **This month's announcement is based on the new surcharges communicated after the revised list prices were published.**

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 \$15 per ton. In addition, the base price was increased by \$5 per ton. The net effect is that the transaction pricing will **increase** by \$20 per ton or \$0.01 per pound. Therefore, Steel King's surcharge on Structural products will also be increased.

The price of coil steel used in SK2000 roll-formed held constant, so no surcharge changes will occur.

Finally, tubular and sheet steel also another price decrease from previous levels, which will allow Steel King to decrease its surcharge on these product types.

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

For orders shipping June 20 – July 17, 2011:

- | | |
|--|--------------------|
| a. SK3000 structural pallet rack, excluding step beams;
I-Beam cantilever and Guard Dawg: | \$0.070/# net cost |
| b. SK2000 roll-formed pallet rack & step beams | \$0.065/# net cost |
| c. SK3400 pallet flow rails & brakes (only) | n/a |
| d. All Sheet Metal or Tube based Products | \$0.075/# net cost |

For orders shipping July 18 – August 17, 2011:

- | | |
|--|---------------------------------------|
| a. SK3000 structural pallet rack, excluding step beams;
I-Beam cantilever and Guard Dawg: | \$0.080/# net cost (Increased) |
| b. SK2000 roll-formed pallet rack & step beams | \$0.065/# net cost (No Change) |
| c. SK3400 pallet flow rails & brakes (only) | n/a |
| d. All Sheet Metal or Tube based Products | \$0.070/# net cost (Decreased) |

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.