



To: All Valued Steel King Customers

From: Jay Anderson, President

Date: May 16, 2011

Re: May 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.

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) was reduced by \$20 per ton or \$0.01 per pound. In addition, the base price did not change. The net effect is that the transaction pricing will **decrease** by \$20 per ton or \$0.01 per pound. Therefore, Steel King’s surcharge on Structural products will also be decreased.

In some more good news, the price of coil steel used in SK2000 roll-formed products decreased of \$80 per ton or \$0.04 per pound. Steel King’s surcharge on SK2000 and step beams will therefore also be reduced by \$0.04 per pound.

Finally, tubular and sheet steel also saw a 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 May 16 – June 19, 2011:

- | | |
|--|---------------------|
| a. SK3000 structural pallet rack, excluding step beams;
I-Beam cantilever and Guard Dawg: | \$0.2525/# net cost |
| b. SK2000 roll-formed pallet rack & step beams | \$0.2750/# net cost |
| c. SK3400 pallet flow rails & brakes (only) | n/a |
| d. All Sheet Metal or Tube based Products | \$0.2875/# net cost |

For orders shipping June 20 – July 17, 2011:

- | | |
|--|--|
| a. SK3000 structural pallet rack, excluding step beams;
I-Beam cantilever and Guard Dawg: | \$0.2425/# net cost (Decreased) |
| b. SK2000 roll-formed pallet rack & step beams | \$0.2350/# net cost (Decreased) |
| c. SK3400 pallet flow rails & brakes (only) | n/a |
| d. All Sheet Metal or Tube based Products | \$0.2625/# 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.